

Energy Resourcing Europe Limited

Report and Financial Statements

30 June 2013

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COMPANIES HOUSE

Directors

S Macgloin
B Connell
G Conlon

Secretary

B Connell

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

HSBC Bank Plc
City of London Corporate Office
PO Box 125
8 Canada Square
London E14 5XL

Registered Office

Parkview
Great West Road
Brentford
Middlesex TW8 9AZ

Registered No 7623161

Directors' report

The directors present their report and financial statements for the year ended 30 June 2013

Results and dividends

The profit for the year after taxation amounted to £5,000 (13 months ended 30 June 2012 – loss of £232,000) The directors were unable to recommend a final dividend in respect of the year (13 months ended 30 June 2012 – £nil)

Principal activity and review of the business

The principal activity of the company during the year was the provision of contractor management services to engineering contractor organisations and oil companies in Europe

Turnover for the year was £14,023,000 (13 months ended 30 June 2012 – £5,571,000)

A summary of the results is as follows

	<i>Year ended 30 June 2013 £000</i>	<i>13 months ended 30 June 2012 £000</i>
Revenue	14,023	5,571
EBIT	34	(213)
EBIT margin	0.2%	(4)%
Profit/(loss) before taxation	6	(232)
Average monthly number of employees	8	6
Debt ratio (total liabilities/total assets)	1.13	1.12
Average debtors days	41	25.7

It is anticipated that activity levels in the UK Oil and Gas sector will generally remain steady in 2013/14 but the directors do anticipate significant growth potential as the business matures and is better equipped to increase market share both in the UK and Europe

Going concern

The company is in a net current liability and net liability position at 30 June 2013 so the company is reliant on a fellow subsidiary undertaking for financial and administrative support. Worley Parsons UK Finance Sub Limited has confirmed that it will continue to provide financial support to the company to allow it to continue in business for the foreseeable future.

As a result of the above, the directors have concluded that the company is able to meet its liabilities as they fall due and will remain in existence for the foreseeable future. Consequently, the financial statements have been prepared on a going concern basis.

Directors' report (continued)

Directors

The directors who served the company during the year and up to the date of signing the financial statements were as follows

S Macglon

L Armstrong (resigned 17 June 2013)

G Conlon

B Connell (appointed 17 June 2013)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.


Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Small company exemption

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

On behalf of the Board



G Conlon
Director

30/10/2013

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

to the members of Energy Resourcing Europe Limited

We have audited the financial statements of Energy Resourcing Europe Limited for the year ended 30 June 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 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

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report (continued)

to the members of Energy Resourcing Europe Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Wilson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date

05 NOV 2013

Profit and loss account

for the year ended 30 June 2013

		<i>Year ended 30 June 2013</i>	<i>13 months ended 30 June 2012</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
Turnover	2	14,023	5,571
Cost of sales		(13,316)	(5,369)
Gross profit		707	202
Administrative expenses		(673)	(415)
Operating profit/(loss)	3	34	(213)
Interest payable and similar charges	6	(28)	(19)
Profit/(loss) on ordinary activities before taxation		6	(232)
Tax	7	(1)	–
Profit /(loss) for the financial year/period	12	5	(232)

All amounts relate to continuing activities.

Statement of total recognised gains and losses


for the year ended 30 June 2013

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £5,000 in the year ended 30 June 2013 (13 months ended 30 June 2012 – loss of £232,000)

Balance sheet

at 30 June 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible assets	8	1	3
Current assets			
Debtors	9	1,749	1,561
Cash at bank and in hand		18	264
		1,767	1,825
Creditors, amounts falling due within one year	10	(1,995)	(2,060)
Net current liabilities		(228)	(235)
Total assets less current liabilities		(227)	(232)
Net liabilities		(227)	(232)
Capital and reserves			
Called-up share capital	11	–	–
Profit and loss account	12	(227)	(232)
Shareholder's deficit	12	(227)	(232)


G Conlon
Director

30 OCT 2013

Notes to the financial statements

at 30 June 2013

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards

Going concern

The company is in a net current liability and net liability position at 30 June 2013 so the company is reliant on a fellow subsidiary for financial and administrative support. WorleyParsons UK Finance Sub Limited has confirmed that it will continue to provide financial support to the company to allow it to continue in business for the foreseeable future.

As a result of the above the directors have concluded that the company is able to meet its liabilities as they fall due and will remain in existence for the foreseeable future. Consequently, the financial statements have been prepared on a going concern basis.

Statement of cash flows

The directors have taken advantage of the exemption in FRS 1 (revised) from including a statement of cash flows in the financial statements, on the grounds that the company is wholly owned and its ultimate parent, WorleyParsons Limited, publishes group financial statements which are publicly available.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value based on prices prevailing at the date of acquisition, evenly over the useful economic life of that asset as follows:

Office equipment	–	straight-line over 3 years
Software	–	straight-line over 3 years

Revenue recognition

Revenue represents amounts invoiced and to be invoiced in respect of services provided in the period to third parties and other group companies.

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue, in respect of services provided in the period, is measured by reference to labour hours chargeable to clients. Revenue not invoiced to customers in respect of services provided in the period is included in accrued income.

Notes to the financial statements

at 30 June 2013

1. Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to sterling at the rate of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of transaction is included as an exchange gain or loss in the profit and loss account.

Pensions

The company is part of a defined contribution Group Personal Pension (GPP) arrangement administered by an external provider. Contributions based on basic earnings for the current period are paid by the employee with employer contributions charged to the profit and loss account in the period that they are due.

2. Turnover

Turnover comprises the value of work performed (excluding VAT and similar taxes). The analysis of turnover by geographical market is given below

	Year ended 30 June 2013 £000	13 months ended 30 June 2012 £000
UK	13,328	5,496
Rest of Europe	695	75
	<u>14,023</u>	<u>5,571</u>

Notes to the financial statements

at 30 June 2013

3. Operating profit /(loss)

This is stated after charging

	<i>Year ended 30 June 2013 £000</i>	<i>13 months ended 30 June 2012 £000</i>
Auditors' remuneration – audit of the financial statements	10	10
Depreciation of owned fixed assets	6	1

4. Directors' remuneration

The directors' remuneration in respect of qualifying services was

	<i>Year ended 30 June 2013 £000</i>	<i>13 months ended 30 June 2012 £000</i>
Remuneration	182	168
Company contributions to defined contribution pension schemes	11	11
	<u>193</u>	<u>179</u>
	<i>No</i>	<i>No</i>
The number of directors who accrued benefits under company derived contribution pension schemes	<u>1</u>	<u>1</u>

5. Staff costs

The aggregate payroll costs of the below were

	<i>Year ended 30 June 2013 £000</i>	<i>13 months ended 30 June 2012 £000</i>
Wages and salaries	417	326
Social security costs	55	31
Other pension costs	20	12
	<u>492</u>	<u>369</u>

Notes to the financial statements

at 30 June 2013

5. Staff costs (continued)

The average monthly number of employees during the year was made up as follows

	<i>Year ended 30 June 2013 No</i>	<i>13 months ended 30 June 2012 No</i>
Operations	7	4
Administration	1	2
	<u>8</u>	<u>6</u>

6. Interest payable and similar charges

	<i>Year ended 30 June 2013 £000</i>	<i>13 months ended 30 June 2012 £000</i>
Interest payable on loan from group undertakings	<u>28</u>	<u>19</u>

7. Tax

(a) Tax on profit / (loss) on ordinary activities

	<i>Year ended 30 June 2013 £000</i>	<i>13 months ended 30 June 2012 £000</i>
Tax.		
Total current tax (note 7(b))	<u>1</u>	<u>-</u>

Notes to the financial statements

at 30 June 2013

7. Tax (continued)

(b) Factors affecting the current tax charge for the year/period

The tax assessed for the year/period equates to (13 months ended 30 June 2012 is higher than) the standard rate of corporation tax in the UK of 23.75% (13 months ended 30 June 2012 – 25.5%). The differences are explained below

	Year ended 30 June 2013 £000	13 months ended 30 June 2012 £000
Profit/(loss) on ordinary activities before tax	6	(232)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.75% (13 months ended 30 June 2012 – 25.5%)	1	(60)
<i>Effects of</i>		
Tax losses surrendered by way of group relief	–	60
Current tax for the year (note 7(a))	1	–

(c) Factors that may affect future tax charges

The UK corporation tax rate reduced to 24% from April 2012 to 23% from April 2013. A further 2% reduction was proposed in the Chancellor's December 2012 autumn statement, taking the rate to 21% from April 2014. In addition, a further 1% reduction was proposed in the March 2013 budget, taking the rate to 20% from April 2015. The rate changes will impact the amount of future tax payments to be made by the company.

8. Tangible fixed assets

	Office equipment and software £000	Total £000
Cost		
At 1 July 2012	4	4
Additions	4	4
At 30 June 2013	8	8
Depreciation		
At 1 July 2012	1	1
Charge for the period	6	6
At 30 June 2013	7	7
Net book value		
At 30 June 2013	1	1
At 30 June 2012	3	3

Notes to the financial statements

at 30 June 2013

9. Debtors

	2013 £000	2012 £000
Trade debtors	765	341
Amounts owed by group undertakings	958	1,217
Prepayments	26	3
	<u>1,749</u>	<u>1,561</u>

10. Creditors: amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	886	525
Other taxation and social security costs	111	66
Accruals and deferred income	223	120
Amounts owed to group undertakings	775	1,349
	<u>1,995</u>	<u>2,060</u>

11. Issued share capital

	2013		2012	
<i>Allotted, called up and fully paid</i>	<i>No</i>	<i>£</i>	<i>No</i>	<i>£</i>
Ordinary shares of £1 each	1	<u>1</u>	1	<u>1</u>

12. Reconciliation of shareholder's deficit and movements on reserves

	<i>Share capital</i> £000	<i>Profit and loss account</i> £000	<i>Total share- holders' funds</i> £000
At 5 May 2011	–	–	–
Loss for the period	–	(232)	(232)
At 1 July 2012	–	(232)	(232)
Profit for the year	–	5	5
At 30 June 2013	–	<u>(227)</u>	<u>(227)</u>

13. Related party transactions

The company has taken advantage of the exemption in FRS 8 not to disclose transactions with other wholly owned members of the WorleyParsons Limited group, as 100% of voting rights are controlled within the group and the group financial statements, in which the company is group, are publicly available

Notes to the financial statements

at 30 June 2013

14. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party of Energy Resourcing Europe Limited is WorleyParsons Limited, a company incorporated in Australia. The immediate parent undertaking of Energy Resourcing Europe Limited is WorleyParsons EA Holdings Pty Limited, a group undertaking incorporated in Australia.

WorleyParsons Limited is the parent undertaking of both the largest and smallest group of which the company is a member and for which group financial statements are prepared. Copies of its group financial statements are available from Investor Relations Department, WorleyParsons Limited, PO Box 1812, North Sydney, NSW 2059 Australia.