ENVIROCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2012

Registered No: SC180242

ENVIROCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2012

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ENVIROCO LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors	W M Allan (Chairman) D Smith D H Taylor K D MacIver J J Coull A D Macdonald M J Walker
Secretary	F N McIntyre
Registered Office	Regent Centre Regent Road ABERDEEN AB11 5NS
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors 32 Albyn Place ABERDEEN AB10 1YL
Solicitors	Paull & Williamsons LLP Union Plaza 1 Union Wynd ABERDEEN AB10 1DQ
Bankers	HSBC Bank Plc 2 Queens Road ABERDEEN AB15 4ZT

ENVIROCO LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2012

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2012.

Business Review and Principal Activities

The company is a wholly owned subsidiary of ASCO Holdings Limited and operates as the Group's Waste Management and Industrial Services Division of ASCO Group's European operations.

The company's principal activity is the management of waste from both offshore and onshore from its point of production through the supply chain to its final destination. A comprehensive service is provided to the North Sea exploration and production and service companies, but also to other industrial sectors. The services provided include marine and industrial tank cleaning, hazardous and non-hazardous waste management, decommissioning support, drill cuttings processing, container hire and training and advisory services.

There have not been any significant changes to the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 7, the company's sales increased by 10% over the prior year due to the continued successful expansion of the business and strong drilling waste volumes. The operating profit increased by 39%.

Given the straightforward nature of the business, the company's directors believe that further key performance indicators for the company other than turnover and operating profit are not necessary or appropriate for an understanding of the development, performance or position of the business.

The key performance indicators of the group are discussed on page 9 of the Group's financial statements, which does not form part of this report.

Principal Risks and Uncertainties

Competitive pressure within the UK is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by providing added value services to its customers and maintaining strong relationships with them.

Client investment and activity levels are, of course, influenced to some extent by the oil price (as well as other factors like the need to replace depleted reserves and rig availability). With the oil price remaining in excess of $100, there appears to be continued optimism regarding activity in 2013.

In order to offset competitive pressures we continue to focus on adding value to the services we deliver to our clients and to building strong, enduring, long-term client relationships.

Financial Risk Management Objectives and Policies

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

The company's principal financial assets are bank balances and cash, trade and other receivables and investments. The company's credit risk is primarily attributable to its trade receivables, however this is mitigated by the company having a credit insurance policy. The amounts presented in the balance sheet are net of any allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss making event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparty is a bank with high credit ratings assigned by international credit rating agencies. The company has no significant concentration of credit risk, with exposure spread over a number of customers.

The company's cash flow risk is managed by a mix of short term borrowings and group funding.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company is party to group funding arrangements and uses a mixture of long-term and short-term finance.

Environment

The company recognises the importance of its environmental responsibilities. The directors are aware of the need to comply with environmental regulations and are subject to regular visits by the Scottish Environmental Protection Agency in Scotland and the Environmental Agency in England.

Results and Dividends

The profit for the year after taxation amounted to £3,537,000 *(2011: £2,547,000)*. No dividend was paid or proposed during the year *(2011: £nil)* and the profit for the year has been transferred to reserves.

Directors and their Interests

The present membership of the Board is set out on page 1.

A D Macdonald was appointed as a director on 3rd October 2012.

D Smith and M J Walker were appointed as directors on 27th February 2013.

I M Ross resigned as a director on 27th February 2013.

Charitable Donations

Donations for charitable purposes amounted to £650 *(2011: £875)*.

ENVIROCO LIMITED

DIRECTORS' REPORT (CONTINUED)

Employees

Employees are provided with information on matters of concern to them, principally through the operation of Town Hall meetings, Enviroco Vision and Team Talks updates.

In the field of consultation, the group has well-developed procedures with the appropriate trade unions, where they are recognised, and it is through such procedures and the union representation involved that the views of the employees are taken into account in making decisions which are likely to affect their interests. Elsewhere, views of employees are sought as appropriate through the management structure.

Internal communication systems have been developed to inform all managers and staff throughout the group of significant events.

Although much of the company's work is unsuitable for disabled persons, positive efforts are made to recruit and train disabled persons for appropriate work. Arrangements are made, whenever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Creditor Payment Policy

The policy of the company is to pay its suppliers in accordance with the terms of trade which may be agreed at the time of order. At the year end, the amount owed to trade creditors by the company was equivalent to 80 days *(2011: 78)* of purchases from suppliers.

Statement of Disclosure of Information to Auditors

So far as each director is aware, there is no relevant audit information of which the auditors are unaware. Each director has taken the appropriate steps as a director to make themselves aware of such information and to establish that the auditors are aware of it.

Approved by the Board and signed on its behalf by:

F N McIntyre
Secretary
25 April 2013

ENVIROCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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 judgements and accounting 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;
- 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ENVIROCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ENVIROCO LIMITED

We have audited the financial statements of Enviroco Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 5 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.

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.

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 annual 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 financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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.

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.

K Reynard

Kevin Reynard (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
25 April 2013

ENVIROCO LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2012

	Note	**2012 £'000**	2011 £'000
TURNOVER	2	**42,857**	38,843
Cost of sales		**(35,367)**	(32,592)
GROSS PROFIT		**7,490**	6,251
Administrative expenses		**(2,695)**	(2,452)
Exceptional costs	3	**-**	(352)
OPERATING PROFIT	3	**4,795**	3,447
Interest payable and similar charges	6	**(55)**	(55)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**4,740**	3,392
Tax on profit on ordinary activities	7	**(1,203)**	(845)
PROFIT FOR THE FINANCIAL YEAR	17	**3,537**	2,547

The results above all relate to continuing activities.

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

ENVIROCO LIMITED

BALANCE SHEET

As at 31 December 2012

	Note	2012 £'000	2011 £'000
FIXED ASSETS			
Intangible assets	8	**974**	1,028
Tangible assets	9	**8,761**	8,300
Investments	10	**42**	28
		9,777	9,356
CURRENT ASSETS			
Stocks	11	**390**	262
Debtors	12	**11,152**	8,753
Cash at bank and in hand		**48,805**	39,615
		60,347	48,630
CREDITORS: Amounts falling due within one year	13	**(47,685)**	(38,870)
NET CURRENT ASSETS		**12,662**	9,760
TOTAL ASSETS LESS CURRENT LIABILITIES		**22,439**	19,116
CREDITORS: Amounts falling due after more than one year	14	**(568)**	(665)
PROVISION FOR LIABILITIES	15	**(701)**	(818)
NET ASSETS		**21,170**	17,633
CAPITAL AND RESERVES			
Called up share capital	16	**668**	668
Share premium account	17	**1,297**	1,297
Profit and loss account	17	**19,205**	15,668
TOTAL SHAREHOLDERS' FUNDS	18	**21,170**	17,633

The financial statements on pages 7 to 21 were approved by the Board of Directors on 25 April 2013 and were signed on its behalf by:

M J Walker
Director

1 ACCOUNTING POLICIES

Basis of Preparation
The financial statements have been prepared under the going concern basis and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Having made the appropriate enquiries, including a review of cash flow projections and key sensitivities, the directors consider the business is a going concern. Adequate resources exist for the ASCO group of companies to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

The principal accounting policies which have been applied consistently, are summarised below:

Cash Flow Statement
The company is a wholly owned subsidiary of ASCO Group Limited and the cashflows of the company are included in the consolidated group cashflow statement of ASCO Group Limited. Consequently, the company is exempt under the terms of Financial Reporting Standard 1 from publishing a cash flow statement.

Intangible Assets
The company capitalises goodwill arising on acquisitions of businesses and amortises it on a straight line basis over its useful economic life of no more than 20 years.

Tangible Fixed Assets and Depreciation
The cost of tangible fixed assets is their purchase cost together with any directly related costs of acquisition. Tangible fixed assets are stated at cost less aggregate depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at annual rates calculated to write off the cost on a straight line basis over the expected useful economic lives of the assets. The rates of depreciation are as follows:

Buildings	25 years
Short leasehold	Over the period of the lease
Plant & equipment	2 to 10 years

Stocks
Stocks are stated at the lower of cost and net realisable value.

Fixed Asset Investments
Fixed asset investments in subsidiary undertakings are stated at cost less provision for impairment.

1 ACCOUNTING POLICIES (CONTINUED)

Leases & Hire Purchase Agreements
Assets held under finance leases are capitalised at their fair value on the inception of the leases and depreciated over the shorter of the lease term and their estimated useful lives. Hire purchase transactions are dealt with similarly, except that the assets are depreciated over their useful lives. Finance charges are allocated over the periods of the leases and hire purchase agreements in proportion to the capital amounts outstanding.

Rentals paid under operating leases are charged to the profit and loss on a straight line basis over the length of the lease. Income in respect of operating leases is credited on a straight line basis over the length of the lease.

Taxation
Tax expense for the year comprises current tax and deferred tax.

Current tax is based on assessable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes or includes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that are enacted or substantively enacted by the balance sheet date.

The company is part of a group that obtains the benefit of any tax losses to other group companies in the form of group relief. Consideration for the full amount of tax loss surrendered is payable to the claimant company and is recognised as group relief receivable or group relief payable within the balance sheet of the company.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

1 ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)
Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a discounted basis to reflect the time value of money over the period between

the balance sheet date and the dates on which it is estimated that the underlying timing differences will reverse. The discount rates used reflect the post-tax yields to maturity that can be obtained on government bonds with similar maturity dates and currencies to those of the deferred tax assets or liabilities.

Pensions
The company participates in a group defined contribution scheme. The charge to the profit and loss account is the amount of contributions payable to the scheme in the year.

Foreign Currencies
Monetary assets and liabilities denominated in foreign currencies are translated 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. All exchange rate gains and losses are reflected in the profit and loss account.

Revenue Recognition
Revenue derived from the supply of waste management and industrial services is recognised upon provision of the services. Revenue is recognised on the basis of services provided to date and revenue is deferred in circumstances where it has not yet been earned. Costs incurred on providing the services in terms of these contracts are recognised in the period in which they are incurred.

Related Party Disclosures
The company has taken advantage of the exemption available under Financial Reporting Standard 8 not to disclose details of intra-group transactions, on the basis that it is a wholly owned subsidiary where its voting rights are controlled within the group and the consolidated financial statements of ASCO Group Limited are publicly available.

ENVIROCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

2 TURNOVER

Turnover is stated net of value added tax. By origin and destination turnover is derived as follows:

BY ORIGIN:	**2012 £'000**	2011 £'000
United Kingdom	**42,857**	38,779
Eire	-	58
Trinidad	-	6
	42,857	38,843

BY DESTINATION:	**2012 £'000**	2011 £'000
United Kingdom	**42,857**	38,779
Eire	-	58
Trinidad	-	6
	42,857	38,843

3 OPERATING PROFIT

Operating profit is stated after charging (crediting):

	2012 £'000	2011 £'000
Amortisation of goodwill	**54**	56
Depreciation – owned assets	**1,028**	923
Depreciation – assets under finance lease	**311**	318
Operating lease rentals – land and buildings	**606**	567
Operating lease rentals – plant and equipment	**2,066**	2,040
Gain on disposal of fixed assets	**(19)**	(9)

During the year the business incurred £nil (2011: £352,000) of exceptional costs in relation to restructuring the business.

Auditor's remuneration in respect of both audit and non-audit services is met by the ultimate parent company, ASCO Group Limited. £ 11,000 *(2011: £8,000)* of the Group audit fee is attributed to the company and £5,000 *(2011: £12,000)* of the fees for non-audit services are attributed to the company.

4 STAFF COSTS

	2012 £'000	2011 £'000
Wages and salaries	**5,886**	6,384
Social security costs	**609**	607
Other pension costs	**111**	100
	6,606	7,091

The average monthly number of persons (including executive directors) employed by the company during the financial year amounted to:

By activity:	2012 No.	2011 No.
Administration	**65**	66
Operations	**124**	109
	189	175

5 DIRECTORS' EMOLUMENTS

	2012 £'000	2011 £'000
Aggregate emoluments	**298**	524
Company contributions to pension scheme	**14**	13
	312	537

Certain of the directors were employees of other group companies and it is not considered possible to determine the specific portion of their remuneration that related to the company.

	2012 £'000	2011 £'000
Highest paid director		
Aggregate emoluments, excluding pension contributions	**117**	239
Company contributions to pension scheme	**5**	-
	122	239

The number of directors for whom retirement benefits are accruing under defined contribution scheme amounted to 3 *(2011 - 3)*.

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £'000	2011 £'000
Interest payable on finance leases	**55**	50
Interest payable on other loans	**-**	5
Total interest payable	**55**	55

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2012 £'000	2011 £'000
Current tax		
Corporation tax on profits for the year @ 24.50% (2011:26.50%)	**1,242**	870
Adjustment in respect of prior years	**78**	(44)
	1,320	826
Deferred tax		
Origination and reversal of timing differences	**(21)**	28
Adjustment of taxes for prior years	**(34)**	54
Effect of changes in tax rates	**(61)**	(63)
	(117)	19
Taxation on profit on ordinary activities	**1,203**	845

Factors affecting the tax charge for the current year

The current tax charge for the year is higher *(2011: Lower)* than that obtained by applying the standard rate of corporation tax in the UK of 24.5% *(2011: 26.5%)* to the profit on ordinary activities before tax. The difference is explained below:

	2012 £'000	2011 £'000
Profit on ordinary activities for year before tax	**4,740**	3,392
Profit multiplied by standard rate of 24.50% (2011:26.50%)	**1,161**	899
Effects of:		
Permanent disallowables	**60**	1
Accelerated capital allowances	**21**	(30)
Adjustments in respect of prior years	**78**	(44)
Current tax charge for the year	**1,320**	826

7 TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

In the Finance Act 2012 the rate of corporation tax was reduced to 24% for the period from 1 April 2012 to 31 March 2013 and to 23% from 1 April 2013. These changes were substantively enacted on 26 March 2012 and 3 July 2012 respectively and as such deferred tax at the balance sheet date has been recognised at the rate of 23% on the basis that it will materially reverse after this date.

In addition to the above changes, in the Autumn 2012 UK Budget Statement the Chancellor announced that the main rate of corporation tax would be further reduced to 21% from 1 April 2014. This change had not been substantively enacted at the balance sheet date and, therefore has not been reflected in these financial statements. The effect of this tax rate reduction will be accounted for in the period it is substantively enacted.

8 INTANGIBLE ASSETS

	Goodwill £'000
Cost	
At 1 January 2012	1,156
Additions	-
At 31 December 2012	**1,156**
Accumulated amortisation	
At 1 January 2012	128
Amortisation for year	54
At 31 December 2012	**182**
Net book value	
At 31 December 2012	**974**
At 31 December 2011	1,028

9 TANGIBLE FIXED ASSETS

	Land & Buildings £'000	Plant & Equipment £'000	Total £'000
Cost			
At 1 January 2012	5,387	11,135	16,522
Additions	673	1,127	1,800
Disposals	-	(89)	(89)
At 31 December 2012	**6,060**	**12,173**	**18,233**
Accumulated Depreciation			
At 1 January 2012	1,437	6,785	8,222
Charge for the year	199	1,140	1,339
Disposals	-	(89)	(89)
At 31 December 2012	**1,636**	**7,836**	**9,472**
Net book value			
At 31 December 2012	**4,424**	**4,337**	**8,761**
At 31 December 2011	3,950	4,350	8,300

	2012 £'000	2011 £'000
Consisting of:		
Heritable	**3,033**	3,140
Short leasehold	**1,391**	810
	4,424	3,950

Tangible fixed assets included in plant and equipment and held under finance leases are as follows:

	2012 £'000	2011 £'000
Cost	**2,361**	2,771
Aggregate depreciation	**(1,009)**	(1,210)
	1,352	1,561

10 FIXED ASSET INVESTMENTS

Cost and Net Book Value	**2012 £'000**	2011 £'000
At 1January 2012	**28**	19
Additions	**14**	9
As at 31 December 2012	**42**	28

The company has an interest in the following company:

	Class of Shares	**% Owned**	**Country of Registration**	**Nature of Business**
NORM Solutions Limited	Ordinary	50	Scotland	NORM treatment
Peterhead Decommissioning Limited	Ordinary	20	Scotland	Decommissioning

11 STOCKS

	2012 £'000	2011 £'000
Finished goods	**390**	262

12 DEBTORS

	2012 £'000	2011 £'000
Trade debtors	**4,612**	4,498
Amounts owed by group undertakings	**2,014**	1,883
Other debtors	**1,318**	423
Prepayments and accrued income	**3,208**	1,949
	11,152	8,753

Amounts owed by group undertakings are unsecured, interest free, repayable on demand and have no fixed repayment date

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Trade creditors	**6,581**	5,583
Amounts owed to group undertakings	**40,399**	32,046
Finance lease creditor (secured)	**371**	407
Taxation and social security	**-**	85
Other creditors	**-**	202
Corporation tax payable	**20**	16
Accruals and deferred income	**314**	531
	47,685	38,870

The group bank overdraft and loans are secured by a bond and floating charge over the assets of the company and standard securities over certain properties of the company. Cross guarantees also exist with other group companies. The contingent liability of the company under these arrangements at 31 December 2012 amounted to £158,570,000 *(2011: £nil).*

Amounts owed to group undertakings are unsecured, interest free, repayable on demand and have no fixed repayment date.

The finance lease creditor is secured on the assets concerned.

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £'000	2011 £'000
Finance lease creditor (secured)	**568**	665
	568	665
Split as follows:		
Repayable within 1-2 years	**257**	514
Repayable within 2-5 years	**311**	151
	568	665

15 PROVISIONS FOR LIABILITIES

Deferred taxation

The amounts of deferred taxation provided for timing differences are as follows

	2012 £'000	2011 £'000
Depreciation in excess of capital allowances	**701**	818

The movement on the provision for deferred tax is as follows:

	2012 £'000	2011 £'000
At 1 January	**818**	799
Transferred to profit and loss account (note 7)	**(117)**	19
At 31 December	**701**	818

The deferred tax liability is based on a corporation tax rate of 23% *(2011: 25%)*.

16 CALLED UP SHARE CAPITAL

	2012 £'000	2011 £'000
Allotted, called up and fully paid		
333,751 'A' ordinary shares of £1 each	**334**	334
333,751 'B' ordinary shares of £1 each	**334**	334
	668	668

'A' and 'B' ordinary shares rank pari passu in terms of voting rights, dividends and witt regard to return of capital in the event of a winding up.

17 RESERVES

	2012 £'000	2011 £'000
Share premium account		
At 1 January and 31 December 2012	**1,297**	1,297
Profit and loss account		
At 1 January 2012	**15,668**	13,121
Profit for the financial year	**3,537**	2,547
At 31 December 2012	**19,205**	15,668

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £'000	2011 £'000
Profit for the financial year	**3,537**	2,547
Opening shareholders' funds	**17,633**	15,086
Closing shareholders' funds	**21,170**	17,633

19 OPERATING LEASE COMMITMENTS

At 31 December 2012 the company had non-cancellable commitments under operating leases which will result in the following payments falling due in the next twelve months.

	Land & Buildings 2012 £'000	**Plant & Equipment 2012 £'000**	Land & Buildings 2011 £'000	Plant & Equipment 2011 £'000
On leases which expire:				
Within 1 year	**55**	**49**	55	98
Between 2-5 years	**99**	**1,352**	12	1,067
After 5 years	**348**	**-**	435	-
	502	**1,401**	502	1,165

20 CAPITAL COMMITMENTS

	2012 £'000	2011 £'000
Contracted but not provided in the financial statements:		
Plant and equipment	**859**	31

21 PENSION COMMITMENTS

The company participates in the group defined contribution scheme. The pension charge shown in Note 4 represents contributions payable by the company to the defined contribution scheme and amounted to £111,000 *(2011: £100,000)*. At 31 December 2012 there were outstanding contributions of £nil *(2011: £nil)*.

22 CONTINGENT LIABILITIES

A significant claim was lodged in 2007 by a shipping company against the company seeking compensation for alleged damage to a vessel in a previous year. The group has taken legal advice and considers that any exposure arising would be substantially covered by insurance. Accordingly, no provision has been made in the financial statements for this claim.

23 RELATED PARTY TRANSACTIONS

During the financial year the company advanced a loan to its joint venture NORM Solutions Limited of £750,000 (£1,170,000 total loan). At the year end no repayment of this loan had been made.

The loan is interest free and has no fixed repayment terms.

24 ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of ASCO Holdings Limited, a company registered in Scotland. Copies of its financial statements for the year to 31 December 2012 can be obtained from the Company Secretary at Regent Centre, Regent Road, Aberdeen, AB11 5NS.

The ultimate parent company is ASCO Group Holdings Limited a company incorporated in Jersey. The financial statements of ASCO Group Limited, which do reflect the consolidation of the company, are available from the Company Secretary at Regent Centre, Regent Road, Aberdeen, AB11 5NS.