

THE  
INDEPENDENT OILFIELD INSPECTION  
COMPANY LIMITED



REPORTS AND ACCOUNTS  
FROM 30TH JULY 1993 (DATE OF INCORPORATION)  
TO 30TH SEPTEMBER 1994

THE  
INDEPENDENT OILFIELD INSPECTION  
COMPANY LIMITED

Director

Thomas William Duncan

Company Secretary  
and Registered Office

Grace Dawn Duncan  
22 Townhead Road  
Inverurie  
Aberdeenshire  
AB51 4RZ

Auditors

AY Accountancy Services  
2 Devanha Gardens West  
Aberdeen  
AB1 2UW

Bankers

Bank of Scotland PLC  
9 Victoria Street  
Dyce  
Aberdeen  
AB2 0DX

Company Number

145686

THE  
INDEPENDENT OILFIELD INSPECTION  
COMPANY LIMITED

REPORT OF THE DIRECTOR

The Director submits his Annual Report and Financial Statements for the period ended 30th September 1994.

1. Incorporation

The company was incorporated on 30th July 1993 and has a share capital of £100.

2. Activities

The company is principally engaged in the provision of inspection and allied services to the offshore oil exploration industry with particular emphasis on downhole drilling equipment.

3. Results

The company commenced trading on 1st October 1993. In the period to 30th September 1994 the company made a profit after taxation of £6,287. The Director does not recommend payment of a dividend but that the profit be carried to reserves.

4. Director's Interests

Thomas William Duncan was appointed Director on 30th July 1993 and has the following interest in the share capital of the company:

	<u>No. of Ord. £1 Shares</u>
Thomas W. Duncan	1

5. Auditors

Alan J.W.Young, M.A.,C.A., Chartered Accountant, T/A AY Accountancy Services has indicated his willingness to accept re-appointment as company auditor.

By Order of the Board

*Dawn Duncan*

Secretary

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF  
THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which 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 year. In preparing those accounts, the directors are required to:

- \* select suitable accounting policies and then apply them consistently
- \* make judgements and estimates that are reasonable and prudent
- \* state whether applicable accounting standards have been followed, subject to any material departures and explained in the accounts
- \* prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

REPORT OF THE AUDITOR

To the members of The Independent Oilfield Inspection  
Company Limited

We have audited the accounts on pages 5 to 8 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

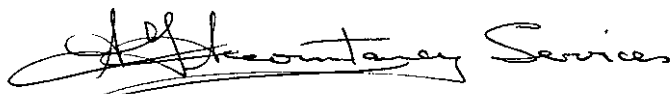
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30th September 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



AY ACCOUNTANCY SERVICES  
Chartered Accountants  
Aberdeen  
23rd July 1995

THE  
INDEPENDENT OILFIELD INSPECTION  
COMPANY LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED  
30TH SEPTEMBER 1994

	<u>Notes</u>	<u>£</u>
Turnover	2	59,648
Cost of Sales		<u>5,867</u>
Gross Profit		53,781
Administration Expenses	3	<u>45,398</u>
Profit on Ordinary Activities		
Prior to Taxation	4	8,383
Taxation	5	<u>2,096</u>
Retained Profit Carried Forward		<u>6,287</u>

THE  
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BALANCE SHEET  
AS AT  
30TH SEPTEMBER 1994

	<u>Notes</u>	<u>£</u>
FIXED ASSETS		
Tangible Assets	6	<u>7,721</u>
CURRENT ASSETS		
Stock		265
Debtors	7	24,434
Bank		<u>603</u>
		<u>25,302</u>
CURRENT LIABILITIES		
Creditors:		
Amounts falling due within one year	8	<u>26,734</u>
Net Current Assets/Liabilities		( <u>1,432</u> )
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,289</u>
CAPITAL AND RESERVES		
Called Up Share Capital	9	2
Profit and Loss Account		<u>6,287</u>
		<u>6,289</u>

..... T. W. Du- ..... Director

..... 26.8.95 ..... Date

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NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Accounting Convention

The accounts have been prepared under the Historical Cost Convention.

Depreciation

Depreciation has been provided at the following rates:

Equipment & Fittings	25% reducing balance
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Deferred Taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing difference will reverse.

2. TURNOVER

Turnover represents the invoiced amount of services provided, stated net of Value Added Tax.

3. STAFF COSTS

	£
Wages and Salaries	15,640
Social Security Costs	<u>1,379</u>
	<u>17,019</u>

The average weekly number employed during the year was 2.

4. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging the following:

	£
Director's Salary	18,300
Director's Salary - NIC Costs	1,879
Auditors Remuneration	585
Depreciation	<u>2,574</u>



## 5. TAXATION

Based on the profit for the period:

Corporation Tax at 25%	<u>2,096</u>
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## 6. TANGIBLE ASSETS

	Equipment & Fittings
Cost	10,295
Depreciation to 30.9.94	<u>2,574</u>
Net Book value at 30.9.94	<u>7,721</u>

## 7. DEBTORS

Trade Debtors	<u>24,434</u>
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## 8. CREDITORS

- Amounts falling due within one year

Trade Creditors	6,242
Income Tax & Social Security Costs	3,947
Value Added Tax	4,177
Taxation	2,096
Directors loans	<u>10,272</u>
	<u>26,734</u>

## 9. SHARE CAPITAL

Authorised - 100 Ordinary Shares of £1 each	<u>100</u>
Issued - 2 Ordinary Shares of £1 each	<u>2</u>

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TRADING ACCOUNT  
FOR THE YEAR ENDED  
30TH SEPTEMBER 1994

<u>INCOME:</u>	£	£
Turnover		59,648
LESS:- Stock Purchases	6,132	
<u>Less</u> Stock on Hand	<u>265</u>	<u>5,867</u>
		53,781
 <u>EXPENDITURE:</u>		
Director's Salary & NIC	20,179	
Staff Wages & NIC	17,019	
Stationery & Computer Supplies	986	
Motor & Travel Expenses	1,611	
Telephone	519	
Staff Training costs	583	
Bank Interest & Charges	54	
Audit Fee	585	
General Expenses	1,288	
Depreciation	<u>2,574</u>	<u>45,398</u>
 <u>Trading Profit Available for Distribution</u>		<u>8,383</u>