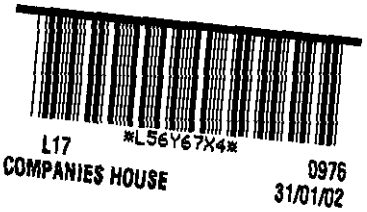
Exploration and Production Services (Holdings) Limited

Accounts for the year ended 31 March 2001
together with directors' and auditors' reports

Registered number: 1461021



Directors' report

For the year ended 31 March 2001

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report for the year ended 31 March 2001.

Principal activity and business review

The principal activity of the company continues to be that of a holding company. The main activities of the company's subsidiary undertakings are the provision of specialised exploration and production services to the international oil and gas industries. These subsidiaries are well placed to exploit opportunities by continuing to expand their existing product lines and from introducing new products.

Results and dividends

The company's profit for the financial year was £5,043,000 (2000: £6,084,000). An interim dividend of £5,000,000 was paid in the year (2000: £6,186,000). The directors recommend no payment of a final dividend (2000: £Nil).

Directors

The directors who served during the year were as follows:

J H Dawson
C P Ainger

Directors' interests

The directors who held office at 31 March 2001 were also directors of Expro International Group PLC, the ultimate parent company, and their interests in the shares of that company are disclosed in the accounts of that company. The directors have no interests in the shares of the company.

Directors' responsibilities

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 period. 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 disclosed and explained in the accounts; and
- 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 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.

Directors' report (continued)

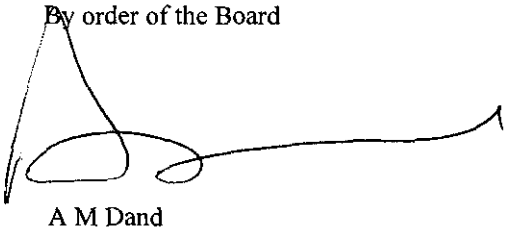
For the year ended 31 March 2001

Auditors

Arthur Andersen have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the forthcoming Annual General Meeting.

Reading Bridge House
Reading Bridge
Reading
Berkshire
RG1 8PL

By order of the Board



A M Dand
Secretary

5 June 2001

Auditors' report

For the year ended 31 March 2001

To the Shareholders of Exploration and Production Services (Holdings) Limited:

We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

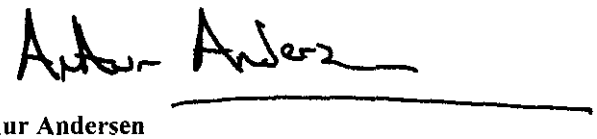
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

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 affairs of the company at 31 March 2001 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

Abbots House
Abbey Street
Reading
Berkshire
RG1 3BD

5 June 2001

Profit and loss account

For the year ended 31 March 2001

	Notes	2001 £'000	2000 £'000
Administration credit/(expenses)		105	(70)
Operating profit/(loss)		105	(70)
Dividends receivable		5,500	6,186
Profit on ordinary activities before interest and taxation		5,605	6,116
Interest income	1	3,061	1,065
Interest payable	2	(3,623)	(1,141)
Profit on ordinary activities before taxation	3	5,043	6,040
Tax credit on profit on ordinary activities	5	-	44
Profit for the financial year		5,043	6,084
Dividends paid and proposed	6	(5,000)	(6,186)
Retained profit/(loss) for the year	14	43	(102)

All activities are of a continuing nature.

The accompanying notes are an integral part of this profit and loss account.

There are no recognised gains or losses other than the profit in each financial year.

Balance sheet

31 March 2001

	Notes	2001 £'000	2000 £'000
Fixed assets			
Investments	7	16,828	16,719
Investments in joint ventures	8	995	-
		17,823	16,719
Current assets			
Debtors	9	90,332	69,683
Creditors: Amounts falling due within one year	10	(104,700)	(83,013)
Net current liabilities		(14,368)	(13,330)
Total assets less current liabilities		3,455	3,389
Creditors: Amounts falling after more than one year	11	(23)	-
Net assets		3,432	3,389
Capital and reserves			
Called-up share capital	12	775	775
Share premium account	13	150	150
Capital redemption reserve	13	2,500	2,500
Profit and loss account	13	7	(36)
Total equity shareholders' funds	14	3,432	3,389

Signed on behalf of the Board

C P Ainger Director

5 June 2001

The accompanying notes are an integral part of this balance sheet.

Statement of accounting policies

For the year ended 31 March 2001

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards. The company has net current liabilities of £14,368,000. The directors have concluded that it is appropriate to adopt the going concern assumption as the directors of the ultimate parent company have agreed to provide the company with support to enable it to meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of the accounts.

b) Investments

Fixed asset investments are shown at cost less any provision for impairment.

c) Consolidated accounts

The company is a wholly owned subsidiary of Expro International Group PLC, which prepares consolidated accounts. The company has, therefore, taken advantage of the exemption under Section 228 of the 1985 Companies Act from the obligation to prepare and deliver group accounts.

d) Taxation

Corporation tax payable is provided at current rates in accordance with the requirements of the legislation of countries in which operations take place.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax authorities) is calculated on the liability method. Deferred tax is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will not reverse.

e) Foreign currency

Transactions denominated in foreign currencies are translated at the rates of exchange ruling at the dates of the transactions. Current assets and liabilities denominated in foreign currencies are translated at year-end rates. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

f) Cash flow statement

Under the provisions of Financial Reporting Standard No.1 (revised), the company has not prepared a cash flow statement because its ultimate parent undertaking, Expro International Group PLC, has prepared consolidated accounts which include the financial statements of the company for the year and which contain a cash flow statement.

Notes to the accounts

31 March 2001

1. Interest income

	2001 £'000	2000 £'000
Interest income from intragroup loans	3,061	1,065

2. Interest payable and similar charges

	2001 £'000	2000 £'000
Interest payable on bank loans and overdrafts	2,600	316
Interest payable on intragroup loans	1,023	825
	3,623	1,141

3. Profit on ordinary activities before taxation

Audit fees for the year and the preceding year have been borne by another group undertaking.

4. Directors' remuneration

The directors who served during the year were also directors of Expro International Group PLC and the details of their remuneration can be found in the accounts of that company.

5. Tax on profit on ordinary activities

	2001 £'000	2000 £'000
Corporation tax credit	-	44

No provision has been made in respect of corporation tax in the current year due to the availability of group relief from fellow subsidiaries. There is no unprovided deferred tax. (2000: nil).

6. Dividends

	2001 £'000	2000 £'000
Interim dividend paid £6.45 (2000: £7.98) per share	5,000	6,186
	5,000	6,186

7. Investments

Investments in subsidiary undertakings	2001 £'000	2000 £'000
Cost at beginning of year	16,719	16,071
Additional investment in existing subsidiary undertakings	1	587
Acquisition of subsidiary undertakings	108	61
Cost at the end of year	16,828	16,719

During the year the company acquired, upon incorporation, the entire issued share capital of PT Expro Indonesia being 1,500 shares of Indonesian Rupiah 1,000 each at a cost of £16,000. Also during the year the company acquired an additional 11,500 shares of Indonesia Rupiah 1,000 each issued by PT Expro Indonesia at a cost of £92,000.

Principal subsidiary undertakings which are held either directly or through an intermediate holding company are:

	Country of incorporation	Proportion of ordinary shares held by the Company	Subsidiaries
Expro North Sea Limited	England	100%	-
Exploration and Production Services (North Sea) Limited	England	100%	-
Expro Group Integrated Services Limited	England	100%	-
Expro Overseas Limited	England	100%	-
Ecodrill Ventures Limited	Scotland	100%	-
Travelrevise Services Limited	England	100%	-
Tronic Limited	England	-	100%
Tronic Inc.	USA	-	100%
Canadian Completion Services Ltd	Canada	-	100%
Expro Italia Srl	Italy	-	100%
Expro Group de Venezuela, C.A.	Venezuela	-	100%
Expro International Limited	Guernsey	100%	-
Expro Gulf Limited	Cyprus	-	100%
Expro (B) Sdn. Bhd.	Brunei	-	60%
Exprotech (Malaysia) Sdn. Bhd.	Malaysia	49%	-
Exprotech (Singapore) Pte Limited	Singapore	100%	-
Expro Overseas Inc.	Panama	-	100%
Ecodrill (Overseas) Limited	Cyprus	-	100%
Expro Americas Inc.	USA	100%	-
EGIS Australia Pty Limited	Australia	-	100%
Expro Group Australia Pty Limited	Australia	-	100%
Expro International B.V.	Netherlands	100%	-
P T Expro Indonesia	Indonesia	100%	-
Ecodrill Nigeria Limited	Nigeria	-	60%

7. Investments (continued)

Through the investments in Ecodrill Ventures Limited and Exploration and Production Services (North Sea) Limited the company has a 100% interest in Expro Americas General Partnership, a partnership established in the USA. The principal subsidiary undertakings which are held through Expro Americas General Partnership or subsidiary companies thereof are:

	Country of incorporation	Proportion of ordinary shares held by the	
		Partnership	Subsidiaries
Expro Americas Holdings Inc.	USA	100%	-
Tripoint Inc.	USA	-	100%
Kinley Corporation.	USA	-	100%
Surface Production Systems Inc.	USA		100%

Each of the above companies are involved in the provision of specialised exploration and production services to the international oil and gas industry, with the exception of Expro International Limited, Expro International B.V. Travelrevise Services Limited and Expro Americas Holdings Inc. which are holding companies.

8. Investments in joint ventures

	2001 £'000	2000 £'000
Cost at beginning of year	-	-
Investment in joint venture undertakings	995	-
Cost at end of year	995	-

On 1 May 2000, as part of the acquisition of the Asia Pacific business of Production Testers International, the company acquired a 50% shareholding in a joint venture, Swire Production Testers Limited, a company incorporated in the British Virgin Islands for a cash consideration of £995,000.

At 31 March 2001 the company holds 50% of the equity in both Expro Swire Production Limited (being 5,000 ordinary shares of 1 US Dollar each) and Expro Swire Production Pte Limited (being 1 Ordinary share of 1 Singapore Dollar).

The companies provide specialised exploration and production services to the international oil and gas industry.

9. Debtors

	2001 £'000	2000 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	90,078	69,615
UK Corporation tax	48	44
Other debtors	206	24
	90,332	69,683

10. Creditors: amounts falling due within one year

	2001 £'000	2000 £'000
Bank loans and overdrafts (secured – see note 15)	38,059	23,154
Amounts owed to other group companies	66,615	59,859
Other creditors and accruals	26	-
	104,700	83,013

11. Creditors: amounts falling due after more than one year

	2001 £'000	2000 £'000
Bank loans and overdrafts (secured – see note 15)	23	-
	23	-

Borrowings due in more than one year are repayable as follows:

	2001 £'000	2000 £'000
Due in more than one but not more than two years	4	
Due in more than two but not more than five years	19	-
	23	-

12. Share capital

	Authorised		Allotted, called up and fully paid	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
1,000,000 ordinary shares of £1 each (775,000 allotted, called up and fully paid)	1,000	1,000	775	775
2,500,000 6.5% redeemable cumulative preference shares of £1 each	2,500	2,500	-	-
	3,500	3,500	775	775

13. Reserves

	Share premium £'000	Capital Redemption reserve £'000	Profit and loss account £'000
Balance at beginning of year	150	2,500	(36)
Profit for the year	-	-	43
Balance at end of year	150	2,500	7

14. Reconciliation of movements in shareholders' funds

	2001 £'000	2000 £'000
Profit for the financial year	5,043	6,084
Dividends on equity shares	(5,000)	(6,186)
Net movement in shareholders' funds	43	(102)
Opening equity shareholders' funds	3,389	3,491
Closing equity shareholders' funds	3,432	3,389

15. Guarantees and other financial commitments

The company along with other group undertakings, has guaranteed and secured by a fixed charge and a floating charge on its own assets, the overdrafts and other liabilities of the company and certain other group undertakings. There are additional third party liabilities amounting to £1,574,000 (2000: £711,000) guaranteed by the company, along with other group undertakings.

16. Parent and ultimate holding company

The company is a wholly owned subsidiary of its ultimate holding company Expro International Group PLC, whose principal place of business is Reading Bridge House, Reading Bridge, Reading, Berkshire, RG1 8PL.

The only group in which the results of Exploration and Production Services (Holdings) Limited and subsidiary undertakings are consolidated is that headed by Expro International Group PLC. The consolidated accounts of the group are available to the public.

The company has taken advantage of the exemptions for disclosure of certain related party transactions available in Financial Reporting Standard No.8 to wholly owned subsidiaries of companies with publicly available accounts.