

Core Laboratories Interests One Limited
Directors' report and financial statements
for the year ended 31 December 2012

Registered Number 07586421



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for the year ended 31 December 2012

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Core Laboratories Interests One Limited

Registered Number 07586421

Directors and advisors for the year ended 31 December 2012

Directors

G Bruce

J Watson

Company secretary and registered office

TMF Corporate Administration Services Limited

5th Floor

6 St Andrew Street

London

United Kingdom

EC4A 3AE

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

32 Albyn Place

Aberdeen

AB10 1YL

Bankers

Bank of Scotland Plc

9 Victoria Street

Dyce

Aberdeen

AB21 7DX

Core Laboratories Interests One Limited

Registered Number 07586421

Directors' report for the year ended 31 December 2012

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

Principal activities

Core Laboratories Interests One is an intermediate holding company and holds an investment in Core Laboratories Interests Two Limited, a fellow group company

Review of business and future developments

The directors consider the performance of the company to be meeting their expectations. The profit and loss account for the year is set out on page 6. The principal activities of the company are expected to remain unchanged and a similar level of activity is anticipated for 2013.

Principal risks and uncertainties

The principal risks and uncertainties impacting on the company are discussed in the context of Core Laboratories N V "the Group", as a whole in the Group's Annual Report and Accounts. These risks are managed on a Group basis.

Key Performance Indicators

The directors of the Group manage the Group's operations on a divisional basis. For this reason the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development or position of the business. The KPI's for the Group are discussed in the Group's Annual Report and Accounts.

Results and dividends

The directors do not propose payment of a dividend and the loss for the year of \$5,031,063 (2011: \$4,132,918 loss) will be deducted from reserves.

Financial risk management

The company's operations are primarily in the UK which exposes the company to financial risks that include foreign exchange risk, interest rate risk and credit risk.

(a) Foreign exchange risk

Management believe that the company's exposure to foreign exchange risk is minimal. During the period, the company has not entered into forward exchange contracts.

(b) Credit risk

The company has no significant concentrations of credit risk. The company has implemented policies that require appropriate credit checks on potential customers before sales commence.

(c) Interest rate risk

The company has interest bearing assets and liabilities. Interest rate risk arises from the fluctuations in market rates, which may have a negative effect on current and future developments of the company. Management believe that the company's exposure to interest rate risk is minimal and therefore it does not enter into hedging arrangements.

Third party indemnity provision

All directors of the company are covered under our directors and officers insurance policy which is a qualifying indemnity provision. This provision was in force during the financial year and also at the date of approval of the financial statements.

Directors of the company

The directors of the company who were in office during the financial year and up to the date of signing the financial statements can be found on page 1 of the financial statements.

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Directors' report for the year ended 31 December 2012 (Continued)

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.

Disclosure of information to auditors

The directors in office at the date of approval of this report confirm that

- (a) So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing their report."
- (b) Each director has taken all the steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant information and to establish that the company's auditors are aware of that information.

Independent Auditors

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



G Bruce
Director

24 October 2013

Core Laboratories Interests One Limited

Registered Number 07586421

Independent auditors' report to the members of Core Laboratories Interests One Limited

We have audited the financial statements of Core Laboratories Interests One 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 3 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 loss 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.

Core Laboratories Interests One Limited

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Independent auditors' report to the members of Core Laboratories Interests One Limited (continued)

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



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

24 October 2013

Core Laboratories Interests One Limited

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Profit and loss account for the year ended 31 December 2012

	Note	2012	2011 \$
Administrative expenses		(16,525)	(10,178)
Operating loss	2	(16,525)	(10,178)
Interest payable and similar charges	4	(17,447,671)	(10,869,041)
Interest receivable and similar income	5	10,800,777	6,746,301
Loss on ordinary activities before taxation		(6,663,419)	(4,132,918)
Tax on loss on ordinary activities	6	1,632,356	-
Loss for the financial year	12	(5,031,063)	(4,132,918)

All the above results relate to continuing operations

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

There is no material difference between the loss on ordinary activities before taxation and the loss for the period above and their historical cost equivalents

Core Laboratories Interests One Limited

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Balance sheet as at 31 December 2012

	Note	2012 \$	(Restated) 2011 \$
Fixed assets			
Investments	7	628,458,700	628,458,700
Current assets			
Debtors	8	186,746,301	186,746,301
Cash at bank and in hand		844	-
		186,747,145	186,746,301
Creditors: amounts falling due within one year	9	(305,911,126)	(300,879,219)
Net current liabilities		(119,163,981)	(114,132,918)
Net assets		509,294,719	514,325,782
Capital and reserves			
Called up share capital	10	1,672	1,672
Capital reserve	11	518,457,028	518,457,028
Profit and loss account	11	(9,163,981)	(4,132,918)
Total shareholders' funds	12	509,294,719	514,325,782

The balance sheet at 31 December 2011 has been restated to reflect a reclassification of \$1,672 from the capital reserve to share capital

The financial statements on pages 6 to 14 were approved by the board of directors on 24 October 2013 and were signed on its behalf by



G Bruce
Director

Core Laboratories Interests One Limited

Registered Number 07586421

Notes to the financial statements for the year ended 31 December 2012

1 Principal accounting policies

The financial statements are prepared under the historical cost convention, on a going concern basis, and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. A summary of the principal accounting policies, which have been applied consistently, are set out below.

Basis of preparation

The Company had net current liabilities at 31 December 2012 of \$119,163,981 (2011: \$114,132,918) largely reflecting an intercompany loan with no fixed repayment date of \$290,000,000.

Core Laboratories International B.V., the immediate parent undertaking, has undertaken to ensure that adequate funds are made available to the Company to meet the working capital requirements and outstanding liabilities of the Company for at least 12 months after the date of the approval of these financial statements.

On this basis, management has concluded that the Company will remain a going concern for at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on the going concern basis.

Consolidation

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of Core Laboratories N.V. which prepares consolidated financial statements which are publicly available.

Cash flow statement

In accordance with Financial Reporting Standard 1 (revised 1996) 'Cash flow statements', the company is not required to prepare a cash flow statement being a wholly owned subsidiary of Core Laboratories N.V. The cash flows of the company are included in the consolidated cash flow statement for that group.

Fixed assets investments

Investments are included at cost less any provision for impairment.

Impairment of fixed assets

The company performs impairment reviews in respect of tangible assets and investments whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is charged to the profit and loss when the recoverable amount of an asset, which is the higher of the asset's net realisable value and its value in use, is less than its carrying amount.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided on taxable profits at the current rate of taxation.

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 deferred tax asset is regarded as recoverable and therefore recognised only when, 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.

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Notes to the financial statements for the year ended 31 December 2012 (continued)

1 Principal accounting policies (continued)

Taxation (continued)

Deferred tax is measured on a non-discounted 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 translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

2 Operating loss

	2012 \$	2011 \$
Operating loss is stated after charging:		
Auditors' remuneration		
- Audit services	5,487	4,096
- Tax services	2,152	1,860

3 Directors' emoluments and employees

The directors did not receive nor waive any emoluments in respect of their services to the company during the current or prior year.

The company has no employees during the current or prior year.

4 Interest payable and similar charges

	2012 \$	2011 \$
Intercompany interest	17,447,671	10,869,041

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Notes to the financial statements for the year ended 31 December 2012 (continued)

5 Interest receivable and similar income

	2012	2011
	\$	\$
Intercompany interest	10,800,777	6,746,301

6 Tax on loss on ordinary activities

	2012	2011
	\$	\$
Tax on loss on ordinary activities	(1,632,356)	-

The current tax credit on loss on ordinary activities before taxation is equal to the standard rate of corporation tax in the UK due to the following factors

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Notes to the financial statements for the year ended 31 December 2012 (continued)

7 Fixed asset investments

	Investment in subsidiary \$
Cost and Net book value	
At 1 January 2012 & 31 December 2012	628,458,700

The directors consider the value of the investments to be supported by their underlying assets

Details of the company's subsidiary undertaking as at 31 December 2012 are as follows

Name of Company	Country of incorporation	Description of shares held	% of nominal value of issued shares held	Nature of business
Core Laboratories Interests Two Limited	UK	2,001 ordinary shares of £1.00 each	100%	Intermediate holding company

Core Laboratories Interests One Limited is an intermediate holding company and holds an investment in Core Laboratories Interests Two Limited, a fellow group company

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Notes to the financial statements for the year ended 31 December 2012 (continued)

8 Debtors

	2012 \$	2011 \$
Amounts owed by group undertakings	186,746,301	186,746,301

Amounts owed by group undertakings are unsecured, interest free and repayable on demand with the exception of amounts owed by the ultimate parent which bear an interest rate based on LIBOR

9 Creditors: amounts falling due within one year

	2012 \$	2011 \$
Trade creditors	2,258	-
Amounts owed to group undertakings	305,900,591	300,874,041
Other taxation and social security	-	-
Accruals and deferred income	8,277	5,178
	305,911,126	300,879,219

Amounts owed to group undertakings are unsecured, interest free and repayable on demand with the exception of amounts owed to the ultimate parent which bear an interest rate based on LIBOR

10 Called up share capital

	2012 \$	(Restated) 2011 \$
Allotted and fully paid		
1,001 (2011 1,001) ordinary shares of £1 00 each	1,672	1,672

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Notes to the financial statements for the year ended 31 December 2012 (continued)

11 Reserves

	Capital reserve \$	Profit and loss account \$
At 31 December 2011	518,458,700	(4,132,918)
Reclassification to share capital	(1,672)	-
At 31 December 2011 – Restated	518,457,028	(4,132,918)
Loss for the financial year	-	(5,031,063)
At 31 December 2012	518,457,028	(9,163,981)

12 Reconciliation of movements in shareholders' funds

	2012 \$	2011 \$
Opening shareholders' funds	514,325,782	-
Loss for the financial year	(5,031,063)	(4,132,918)
Capital contribution	-	518,458,700
Closing shareholders' funds	509,294,719	514,325,782

13 Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard 8 'Related party' disclosure not to disclose transactions with other group companies being a wholly owned subsidiary of Core Laboratories N V. Related party disclosures are included in the financial statements for that group.

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Notes to the financial statements for the year ended 31 December 2012 (continued)

14 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Core Laboratories International B V

The ultimate parent undertaking and controlling party is Core Laboratories N V , a company incorporated in The Netherlands

Core Laboratories N V is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2012. The consolidated financial statements of Core Laboratories N V are available from Herengracht 424, 1017 BZ Amsterdam

15 Post balance sheet events

Changes in UK tax rates

A number of changes to the UK corporation tax system were announced in the March 2012 Budget Statement. The main rate of corporation tax was reduced from 26% to 24% from 1 April 2012 and was substantively enacted on 26 March 2012. A further reduction to 23% from 1 April 2013 was substantively enacted on 3 July 2012 and is therefore taken into account in these financial statements.

In addition to the changes in rates of Corporation tax disclosed above, further changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions in the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015.

As these changes have not been substantively enacted at the balance sheet date their effects are not included in these financial statements. The overall effect of these changes are not expected to be material.