REGISTERED NUMBER: SC093422

SERVTECH LIMITED

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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COMPANIES HOUSE

Johnston Carmichael LLP
Chartered Accountants and Registered Auditors
16 Carden Place
Aberdeen
AB10 1FX

SERVTECH LIMITED (REGISTERED NUMBER: SC093422)

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FOR THE YEAR ENDED 30 JUNE 2012

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SERVTECH LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2012

DIRECTORS:	W G W Brown P White J Bowman
SECRETARY:	P White
REGISTERED OFFICE:	2 Abbotswell Road West Tullos ABERDEEN AB12 3AB
REGISTERED NUMBER:	SC093422
AUDITORS:	Johnston Carmichael LLP Chartered Accountants and Registered Auditors 16 Carden Place Aberdeen AB10 1FX
SOLICITORS:	Simpson & Marwick 4 Carden Terrace Aberdeen AB10 1US

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2012

The directors present their report with the financial statements of the company for the year ended 30 June 2012.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of inspection services to the oil and gas industry.

REVIEW OF BUSINESS
The results for the company show a pre-tax profit of £2,532,700 (2011: £1,703,504) and sales of £16,166,883 (2011: £11,524,381).

The directors consider the results for the year to be satisfactory, reflecting the strong market for the company's services for the year under review.

FUTURE OUTLOOK
The company is not immune from the current recession, and the directors see 2013 as being more challenging than previous years. Despite the economic climate the business is expected to continue to perform well when compared to many competitors.

PRINCIPAL RISKS AND UNCERTAINTIES
The key risks and uncertainties affecting the company are considered to relate to the international energy sector in general, where a sustained downturn in oil & gas prices, coupled with a material reduction in exploration levels would have a negative impact on future profitability. To meet these challenges, the company continues to strive to develop good working relationships with its customer base.

KEY PERFORMANCE INDICATORS
Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

DIVIDENDS
The total distribution of dividends for the year ended 30 June 2012 will be £500,000 (2011: £1,025,000).

DIRECTORS
The directors shown below have held office during the whole of the period from 1 July 2011 to the date of this report.

W G W Brown
P White
J Bowman

POLITICAL AND CHARITABLE CONTRIBUTIONS
During the year the company made charitable donations of £3,220 comprising of various small donations to local charities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

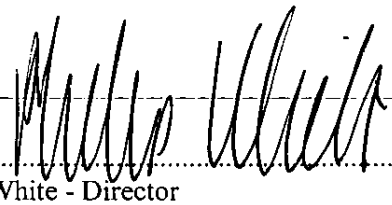
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Johnston Carmichael LLP, will be deemed re-appointed under S487 of the Companies Act 2006.

ON BEHALF OF THE BOARD:



P White - Director

Date: 17 December 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SERVTECH LIMITED

We have audited the financial statements of Servtech Limited for the year ended 30 June 2012 on pages six to eighteen. 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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 Report of the Directors 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 30 June 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 Report of the Directors 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.

Johnston Carmichael LLP

Jean Main (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP
Chartered Accountants and Registered Auditors
16 Carden Place
Aberdeen
AB10 1FX

Date: 17 December 2012

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 £	2011 £
TURNOVER	2	16,166,883	11,524,381
Cost of sales		12,198,074	8,414,109
GROSS PROFIT		3,968,809	3,110,272
Administrative expenses		1,436,824	1,410,502
		2,531,985	1,699,770
Other operating income		-	400
OPERATING PROFIT	4	2,531,985	1,700,170
Interest receivable and similar income		1,006	3,625
		2,532,991	1,703,795
Interest payable and similar charges	5	291	291
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,532,700	1,703,504
Tax on profit on ordinary activities	6	842,607	551,967
PROFIT FOR THE FINANCIAL YEAR		1,690,093	1,151,537

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current year or previous year.

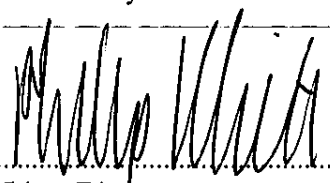
TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

BALANCE SHEET
30 JUNE 2012

	Notes	2012 £	2012 £	2011 £	2011 £
FIXED ASSETS					
Tangible assets	8		119,631		94,206
CURRENT ASSETS					
Debtors	9	5,059,709		2,244,389	
Cash at bank		175,464		544,662	
		5,235,173		2,789,051	
CREDITORS					
Amounts falling due within one year	10	3,561,914		2,277,133	
NET CURRENT ASSETS			1,673,259		511,918
TOTAL ASSETS LESS CURRENT LIABILITIES			1,792,890		606,124
CREDITORS					
Amounts falling due after more than one year	11		-		3,327
NET ASSETS			1,792,890		602,797
CAPITAL AND RESERVES					
Called up share capital	13		1,000		1,000
Share premium	14		39,550		39,550
Profit and loss account	14		1,752,340		562,247
SHAREHOLDERS' FUNDS	18		1,792,890		602,797

The financial statements were approved by the Board of Directors on 17 December 2012 and were signed on its behalf by:



P White - Director

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Net cash inflow from operating activities	1		1,236,091		2,294,350
Returns on investments and servicing of finance	2		715		3,334
Taxation			(554,539)		(841,004)
Capital expenditure	2		(91,449)		(35,767)
Equity dividends paid			(500,000)		(1,025,000)
			90,818		395,913
Financing	2		(460,016)		(126,362)
(Decrease)/increase in cash in the period			(369,198)		269,551

	Notes				
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/increase in cash in the period		(369,198)		269,551	
Cash outflow from decrease in debt and lease financing		7,249		4,278	
Change in net funds resulting from cash flows			(361,949)		273,829
Movement in net funds in the period			(361,949)		273,829
Net funds at 1 July			537,057		263,228
Net funds at 30 June			175,108		537,057

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	2,531,985	1,700,170
Depreciation charges	66,012	54,382
Loss on disposal of fixed assets	15	264
(Increase)/decrease in debtors	(2,819,557)	398,800
Increase in creditors	1,457,636	140,734
Net cash inflow from operating activities	1,236,091	2,294,350

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	1,006	3,625
Interest element of hire purchase payments	(291)	(291)
Net cash inflow for returns on investments and servicing of finance	715	3,334
Capital expenditure		
Purchase of tangible fixed assets	(91,449)	(41,074)
Sale of tangible fixed assets	-	5,307
Net cash outflow for capital expenditure	(91,449)	(35,767)
Financing		
Capital repayments in year	(7,249)	(4,278)
Amount introduced by directors	504,604	12,500
Amount withdrawn by directors	(957,371)	(155,184)
Share issue	-	20,600
Net cash outflow from financing	(460,016)	(126,362)

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/7/11 £	Cash flow £	At 30/6/12 £
Net cash:			
Cash at bank	544,662	(369,198)	175,464
	544,662	(369,198)	175,464
Debt:			
Hire purchase	(7,605)	7,249	(356)
	(7,605)	7,249	(356)
Total	537,057	(361,949)	175,108

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention.

Turnover
Turnover represents net invoiced sales of services, excluding value added tax and is recognised in the financial statements when cash has been received or is receivable.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 20% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20-33% on cost
Motor vehicles	- 25% on cost

Deferred tax
Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date, to pay more tax, or a right to pay less tax, at a future date, at the rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

continued...

1. ACCOUNTING POLICIES - continued

Financial Instruments
Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all liabilities.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2012	2011
	£	£
United Kingdom	3,428,280	2,011,219
Asia	1,708,541	1,610,150
Africa	11,030,062	7,903,012
	16,166,883	11,524,381

3. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	5,483,276	4,454,325
Social security costs	276,929	183,878
	5,760,205	4,638,203

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

	2012	2011
Administration	13	14
Technical	55	49
	68	63

continued...

4. OPERATING PROFIT

The operating profit is stated after charging:

	2012	2011
	£	£
Hire of plant and machinery	14,019	15,666
Depreciation - owned assets	62,397	50,769
Depreciation - assets on hire purchase contracts	3,613	3,612
Loss on disposal of fixed assets	15	264
Audit services	12,500	17,000
Non-audit services	10,755	5,200
Directors' remuneration	302,916	280,609

Information regarding the highest paid director is as follows:

	2012	2011
	£	£
Emoluments etc	130,052	107,809

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Hire purchase	291	291

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2012	2011
	£	£
Current tax:		
UK corporation tax	641,948	470,833
Prior year adjustment	41,578	677
Overseas taxes	610,232	545,822
Double tax relief	(451,151)	(465,365)
Tax on profit on ordinary activities	842,607	551,967

continued...

6. **TAXATION - continued**

Factors affecting the tax charge
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2012	2011
	£	£
Profit on ordinary activities before tax	2,532,700	1,703,504
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.500% (2011 - 27.500%)	645,839	468,464
Effects of:		
Expenses not deductible for tax purposes	3,631	5,016
Capital allowances in excess of depreciation	(7,591)	(7,196)
Adjustments to tax charge in respect of previous periods	41,578	677
Foreign tax credits	159,081	84,982
Other differences	69	24
Current tax charge	842,607	551,967

7. **DIVIDENDS**

	2012	2011
	£	£
Ordinary shares of £1 each		
Final	500,000	1,025,000

continued...

8. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 July 2011	65,248	187,053	144,847	75,814	472,962
Additions	-	26,118	22,942	42,389	91,449
Disposals	-	-	(7,876)	-	(7,876)
At 30 June 2012	65,248	213,171	159,913	118,203	556,535
DEPRECIATION					
At 1 July 2011	52,831	151,955	120,593	53,377	378,756
Charge for year	4,791	20,060	20,674	20,485	66,010
Eliminated on disposal	-	-	(7,862)	-	(7,862)
At 30 June 2012	57,622	172,015	133,405	73,862	436,904
NET BOOK VALUE					
At 30 June 2012	7,626	41,156	26,508	44,341	119,631
At 30 June 2011	12,417	35,098	24,254	22,437	94,206

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 July 2011 and 30 June 2012	14,450
DEPRECIATION	
At 1 July 2011	7,224
Charge for year	3,613
At 30 June 2012	10,837
NET BOOK VALUE	
At 30 June 2012	3,613
At 30 June 2011	7,226

continued...

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade debtors	4,391,879	1,774,948
Other debtors	186,649	1,441
Directors' current accounts	16,671	-
Overseas tax	397,881	418,786
Prepayments	66,629	49,214
	5,059,709	2,244,389

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Hire purchase contracts (see note 12)	356	4,278
Trade creditors	2,558,920	1,147,958
Corporation tax	585,337	318,174
Social security and other taxes	183,928	142,710
Stamp Duty Liability	30,377	17,597
Kazakhstan ACT	(17,249)	(29,772)
VAT	55,979	64,279
Directors' current accounts	152,384	588,480
Accrued expenses	11,882	23,429
	3,561,914	2,277,133

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012	2011
	£	£
Hire purchase contracts (see note 12)	-	3,327

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2012	2011
	£	£
Net obligations repayable:		
Within one year	356	4,278
Between one and five years	-	3,327
	356	7,605

continued...

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2012	2011	2012	2011
	£	£	£	£
Expiring:				
Within one year	90,135	112,438	321	-
Between one and five years	119,193	41,500	15,446	15,606
	209,328	153,938	15,767	15,606

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2012 £	2011 £
1,000	Ordinary	£1	1,000	1,000

14. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 July 2011	562,247	39,550	601,797
Profit for the year	1,690,093	-	1,690,093
Dividends	(500,000)	-	(500,000)
At 30 June 2012	1,752,340	39,550	1,791,890

15. TRANSACTIONS WITH DIRECTORS

During the year J Bowman received a loan of £17,000. Expenses of £329 have not been reimbursed to him. The balance due from J Bowman at the year end was £16,671. This has been repaid post year end.

16. RELATED PARTY DISCLOSURES

During the year, total dividends of £500,000 (2011 - £1,025,000) were paid to the directors.

continued...

16. RELATED PARTY DISCLOSURES - continued

At the year end £78,582 (2011: £288,889) was payable to WGW Brown, director.

At the year end £73,802 (2011: £287,091) was payable to P White, director.

Refer to the note above for transactions with J Bowman, director. At the year end £16,671 was due from J Bowman (2011: £12,500 payable to J Bowman).

WGW Brown and P White have given a joint and several guarantee for £100,000 as security for the bank overdraft.

The company has advanced loans of £186,639 to Servtech Western Australia Pty, a company owned by WGW Brown, P White and J Bowman. At the year end £186,639 was due from Servtech Western Australia Pty.

17. ULTIMATE CONTROLLING PARTY

The company was under the joint control of WGW Brown and P White throughout the current and previous year.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Profit for the financial year	1,690,093	1,151,537
Dividends	(500,000)	(1,025,000)
	1,190,093	126,537
Share issue	-	20,600
Net addition to shareholders' funds	1,190,093	147,137
Opening shareholders' funds	602,797	455,660
Closing shareholders' funds	1,792,890	602,797