

Exploration & Production Services (North Sea) Limited

Accounts for the year ended 31 March 2000
together with directors' and auditors' reports

Registered number: 2725863



Directors' Report

For the year ended 31 March 2000

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 2000.

Principal activity and business review

Prior to February 2000 the company was dormant. During that month the company acquired a 50% interest in Expro Americas General Partnership, a partnership established in the USA. Expro Americas General Partnership holds investments in businesses involved in the supply of services and equipment to the oil and gas exploration and production industry.

Results and Dividends

The company did not trade in either the current or the previous year. The loss on ordinary activities before taxation of £121,000 (1999: £Nil) represent an equal share in the losses for the year of the company's 50% owned partnership undertaking. The directors do not recommend the payment of a dividend (1999: £Nil).

Directors and their interests

The directors who served during the year were as follows:

J H Dawson	- Resigned 2 August 1999
C P Ainger	- Resigned 14 January 2000
E R Woolley	- Appointed 2 August 1999
G F Coutts	- Appointed 14 January 2000

The interests of the directors in the shares of Expro International Group PLC, the ultimate holding company, are disclosed in the accounts of that company. The directors have no interests in the shares of the company required to be disclosed under Schedule 7 of the Companies Act 1985.

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 result 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;
- 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 2000

Auditors

Arthur Andersen were appointed as auditors in the year. 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

6 June 2000

Auditors' Report

For the year ended 31 March 2000

To the Shareholders of Exploration and Production Services (North Sea) Limited

We have audited the accounts on pages 4 to 7, 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 2000 and of the company's loss 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

6 June 2000

Profit and Loss Account

For the year ended 31 March 2000

	Notes	2000 £'000	1999 £'000
Share of partnership losses		(121)	-
Loss on ordinary activities before taxation	2	(121)	-
Tax on result on ordinary activities		-	-
Loss retained for the year		(121)	-
Retained loss, beginning of year		(69)	(69)
Retained loss, end of year		(190)	(69)

There are no recognised gains or losses other than those included in the result for each financial year.

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

Balance Sheet

31 March 2000

	Notes	2000 £'000	1999 £'000
Fixed assets			
Investments	3	<u>2,081</u>	<u>-</u>
Current assets			
Debtors - Amounts owed by group undertakings		-	835
Creditors: Amounts falling due within one year			
- Amounts owed to group undertakings		<u>(2,271)</u>	<u>(904)</u>
Net current liabilities		<u>(2,271)</u>	<u>(69)</u>
Net liabilities		<u>(190)</u>	<u>(69)</u>
Capital and reserves			
Called-up share capital	4	-	-
Profit and loss account		<u>(190)</u>	<u>(69)</u>
Total equity shareholders' funds	5	<u>(190)</u>	<u>(69)</u>

Signed on behalf of the Board



E R Woolley
Director

6 June 2000

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

Notes to the accounts

31 March 2000

1 Accounting policies

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 liabilities of £190,000 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) Consolidated accounts

Consolidated accounts have not been prepared because the company's ultimate holding company Expro International Group PLC, prepares consolidated accounts. The company has therefore taken advantage of the exemption under S228 of the Companies Act 1985 from the obligation to prepare and deliver group accounts.

c) Investments

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

d) Cash flow

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 financial accounts which include the financial accounts of the company for the year and which contain a cash flow statement.

2 Supplementary Information

The directors did not receive any remuneration for their services to the company during the year or the preceding year. The audit fees for the year have been borne by the company's ultimate parent undertaking.

3 Investments

Investment in partnership	2000 £'000	1999 £'000
Cost and net book value, beginning of year	-	-
Additions at cost	2,081	-
Cost and net book value, end of year	<u>2,081</u>	<u>-</u>

The investment is held in the following entity:

	Country of Registration	Percentage Interest in Partnership Capital	
		2000	1999
Expro Americas General Partnership	USA	50%	-

Notes to the accounts

31 March 2000

4 Called-up share capital

	2000 £'000	1999 £'000
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1	1
<i>Allocated, called-up and fully paid</i>		
2 ordinary shares of £1 each	-	-

5 Reconciliation of movements in shareholders' funds

	2000 £'000	1999 £'000
Loss for the year	(121)	-
Opening equity shareholders funds	(69)	(69)
Closing equity shareholders funds	(190)	(69)

6 Guarantees and financial commitments

The company, along with other group undertakings, has guaranteed and secured by a first fixed charge and a floating charge on its assets, the overdrafts and other liabilities of certain other group undertakings. There are additional third party liabilities amounting to £711,000 (1999: £470,000) guaranteed by the company along with other group undertakings.

7 Parent and ultimate holding company

The company is a wholly owned subsidiary of Exploration and Production Services (Holdings) Limited. The company's ultimate holding company is Expro International Group PLC, whose principal place of business is Reading Bridge House, Reading Bridge, Reading, Berks. RG1 8PL.

The only group in which the results of Exploration and Production Services (North Sea) Limited are consolidated is that headed by Expro International Group PLC. The consolidated accounts of this 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.