

**Techsource Recruitment Limited**

**Directors' report and financial  
statements**

**Registered number SC276721  
31 December 2007**

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## Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2007

### Principal activity

The company's principal activity is the employment of staff on behalf of certain fellow group undertakings

### Proposed dividend

The directors do not recommend the payment of a dividend

### Directors

The directors who held office during the year and up to the date of this report were as follows

D H Duguid	(resigned 31 July 2007)
I D Grant	(resigned 31 July 2007)
M A Buchan	(resigned 31 July 2007)
P Bentley	(resigned 31 July 2007)
P J Crawley	(appointed 31 July 2007, resigned 3 September 2007)
G N Paver	(appointed 31 July 2007, resigned 24 October 2007)
M L Bowyer	(appointed 31 July 2007)
B I Morrison	(appointed 3 September 2007, resigned 21 March 2008)
D A Johnston	(appointed 24 October 2007)
G M Morrison	(appointed 1 April 2008)

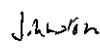
### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board

**D A Johnston**  
Director

Deveron Facility  
Howe Moss Place  
Dyce  
Aberdeen

26 August 2008

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 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, and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



37 Albyn Place  
Aberdeen  
AB10 1JB  
United Kingdom

## **Independent auditors' report to the members of Techsource Recruitment Limited**

We have audited the financial statements of Techsource Recruitment Limited for the year ended 31 December 2007 which comprise the Profit and loss account, the Balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 an auditor's report 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, 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 financial statements 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 financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

**KPMG LLP**  
Chartered Accountants  
Registered Auditor

26 August 2008

**Profit and loss account**  
*for the year ended 31 December 2007*

	<i>Note</i>	<b>2007</b> <b>£000</b>	2006 £000
<b>Turnover</b>		<b>2,679</b>	3,825
Cost of sales		<b>(2,247)</b>	(3,297)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>432</b>	528
Administration expenses		<b>(242)</b>	(181)
		<hr/>	<hr/>
<b>Operating profit</b>		<b>190</b>	347
Interest receivable and similar income	5	<b>18</b>	
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	2 4	<b>208</b>	347
Tax on profit on ordinary activities	6		(104)
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		<b>208</b>	243
<b>being profit for the financial year</b>	10	<hr/> <hr/>	<hr/> <hr/>

The company had no recognised gains or losses other than the profits for the financial years reported above  
All of the above activities relate to continuing operations

**Balance sheet**  
*at 31 December 2007*

	<i>Note</i>	<b>2007</b>	<b>2006</b>
		<b>£000</b>	<b>£000</b>
<b>Current assets</b>			
Debtors	7	764	6,115
<b>Creditors</b> amounts falling due within one year	8	(129)	(5,688)
<b>Net current assets</b>		<u>635</u>	<u>427</u>
<b>Total assets less current liabilities</b>		<u>635</u>	<u>427</u>
<b>Net assets</b>		<u>635</u>	<u>427</u>
<b>Capital and reserves</b>			
Called up share capital	9		
Profit and loss account	10	635	427
<b>Shareholders' funds</b>	11	<u>635</u>	<u>427</u>

These financial statements were approved by the board of directors on 26 August 2008 and were signed on its behalf by

*D A Johnston*

**D A Johnston**  
*Director*

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

#### *Turnover*

Turnover represents the amounts (excluding Value added tax) derived from the provision of personnel services to group affiliates

#### *Related party transactions*

As the company is a wholly owned subsidiary of Halliburton Company, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of Halliburton Company, within which this company is included, can be obtained from the address given in note 12

#### *Taxation*

The charge or credit for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

### 2 Notes to the profit and loss account

The company's audit fee of £3,500 (2006 £2,000) is borne on its behalf by a fellow group undertaking

### 3 Remuneration of directors

The directors received no remuneration from the company during the year (2006 nil)



## Notes *(continued)*

### 4 Staff numbers and costs

The average number of persons employed by the company (excluding contractors) during the year, analysed by category, was as follows

	Number of employees	
	2007	2006
Operations	36	85
Administration	2	5
	<u>38</u>	<u>90</u>

The aggregate payroll costs of these persons were as follows

	2007	2006
	£000	£000
Wages and salaries	2,055	3,082
Social security costs	242	340
Other pension costs	1	1
	<u>2,298</u>	<u>3,423</u>

### 5 Interest receivable and similar income

	2007	2006
	£000	£000
Interest receivable on tax repayment	<u>18</u>	<u></u>

## Notes (continued)

### 6 Taxation

#### *Analysis of charge in period*

	2007 £000	2006 £000
<i>UK corporation tax</i>		
Current tax on income for the period		104
Total current tax being tax on profit on ordinary activities		104

#### *Factors affecting the tax charge for the current year*

The current tax charge for the year is lower than (2006 equal to) the standard rate of corporation tax in the UK 30%, (2006 30%) The differences are explained below

	2007 £000	2006 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	208	347
Current tax at 30% (2006 30%)	62	104
<i>Effects of</i>		
Tax effects of UK to UK transfer pricing arrangements	8	
Group relief (received) surrendered for no consideration	(70)	
Total current tax charge		104

There is no deferred tax asset or liability at the year end

### 7 Debtors

	2007 £000	2006 £000
Amounts owed by group undertakings	685	6,115
Other taxes and social security	30	
Corporation tax	49	
	764	6,115

Amounts owed by group undertakings are recoverable on demand and an element are interest bearing

## Notes (continued)

### 8 Creditors: amounts falling due within one year

	2007 £000	2006 £000
Amounts owed to group undertakings	129	5,608
Corporation tax		80
	<u>129</u>	<u>5,688</u>

Amounts owed to group undertakings do not bear interest and are payable on demand

### 9 Called up share capital

	2007 £000	2006 £000
<i>Authorised, allotted, called up and fully paid</i> 1 ordinary share of £1		
	<u></u>	<u></u>

### 10 Profit and loss account

	£000
At beginning of year	427
Profit for the year	208
	<u>635</u>
At end of year	

### 11 Reconciliation of movement in shareholders' funds

	2007 £000	2006 £000
Profit for the financial year being net addition to shareholders' funds	208	243
Opening shareholders' funds	427	184
	<u>635</u>	<u>427</u>
Closing shareholders' funds		

### 12 Ultimate parent company

The company is a subsidiary undertaking of Halliburton Company incorporated in the United States of America which is its ultimate parent company and ultimate controlling party

The largest group in which the results of the company are consolidated is that headed by Halliburton Company. The smallest group in which they are consolidated is that headed by Halliburton Energy Services Limited (formerly Halliburton Holdings (No 2) Limited), a company registered in Scotland. The consolidated financial statements of Halliburton Energy Services Limited are available to the public and can be obtained from the Registrar of Companies, 37 Castle Terrace, Edinburgh.

The consolidated financial statements of Halliburton Company are available to the public and can be obtained from Investor Relations at [www.halliburton.com](http://www.halliburton.com)