**Techsource Recruitment Limited**

# Directors' report and financial statements

Registered number SC276721

31 December 2011

## Contents

# Directors' report

The directors present their Directors' report and financial statements for the year ended 31 December 2011.

### Principal activity

The company did not trade during the year apart from receiving interest on an Inland Revenue tax repayment.

### Proposed dividend

The directors do not recommend the payment of a dividend *(2010: Nil)*.

### Directors

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

| | |
|---|---|
| D A Johnston | |
| S Clifton | |
| S D Seaton | (resigned 1 August 2011) |
| A I Buchanan | (appointed 1 August 2011; resigned 13 April 2012) |
| D Mladenka | (appointed 13 April 2012) |

### Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

David Johnston

**D A Johnston**
*Director*

Halliburton House
Howe Moss Crescent
Dyce
Aberdeen
AB21 0GN

25 April 2012

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

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 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 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 its financial statements comply with the Companies Act 2006. 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.

KPMG

# Independent auditor's report to the members of Techsource Recruitment Limited

We have audited the financial statements of Techsource Recruitment Limited for the year ended 31 December 2011 set out on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

**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 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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.

**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.

D MacAskill

**D MacAskill (Senior Statutory Auditor)**
**For and on behalf of KPMG LLP, Statutory Auditor**
Chartered Accountants
37 Albyn Place
Aberdeen
AB10 1JB

25 April 2012

## Profit and loss account
*for the year ended 31 December 2011*

| | Note | 2011 £ | 2010 £ |
|---|---|---|---|
| Administration expenses | | - | (2,184) |
| **Operating loss** | | - | (2,184) |
| Interest receivable and similar income | 5 | 3,399 | 410 |
| **Profit/(loss) on ordinary activities before taxation** | 2-4 | 3,399 | (1,774) |
| Tax on profit on ordinary activities | 6 | (4,577) | 1,164 |
| **Loss for the financial year** | 10 | (1,178) | (610) |

All of the above figures relate to continuing operations.

The company had no recognised gains or losses other than the results for the financial years reported above.

# Balance sheet
*at 31 December 2011*

| | Note | 2011 £ | 2011 £ | 2010 £ | 2010 £ |
|---|---|---|---|---|---|
| **Current assets** | | | | | |
| Debtors | 7 | **588,914** | | 646,984 | |
| **Creditors:** amounts falling due within one year | 8 | **(271)** | | (57,163) | |
| **Net current assets** | | | **588,643** | | 589,821 |
| **Total assets less current liabilities** | | | **588,643** | | 589,821 |
| **Net assets** | | | **588,643** | | 589,821 |
| **Capital and reserves** | | | | | |
| Called up share capital | 9 | | **1** | | 1 |
| Profit and loss account | 10 | | **588,642** | | 589,820 |
| **Shareholders' funds** | 11 | | **588,643** | | 589,821 |

These financial statements were approved by the board of directors on 25 April 2012 and were signed on its behalf by:

David J.L.

**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.

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Halliburton Company, the company's ultimate parent. Halliburton Company has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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.

***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 credit for taxation is based on the loss 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

Auditor's fees for audit and other services of £4,000 *(2010: £4,000)* are borne by a fellow group undertaking.

## 3 Remuneration of directors

The directors received no remuneration from the company during the year *(2010: Nil)*.

## Notes *(continued)*

### 4 Staff numbers and costs

The company had no employees during the year *(2010: Nil)*.

### 5 Interest receivable and similar income

| | 2011<br>£ | 2010<br>£ |
|---|---|---|
| Interest received | **3,399** | 410 |

### 6 Taxation

| *Analysis of credit in year* | **2011**<br>**£** | 2010<br>£ |
|---|---|---|
| *Group relief* | | |
| Current tax on loss for the year | **(1,531)** | (1,164) |
| *Corporation tax* | | |
| Adjustments in respect of prior years | **6,108** | - |
| Tax on loss or ordinary activities | **4,577** | - |

*Factors affecting the tax credit for the current year*

The current tax credit for the year is higher *(2010: higher)* than the composite rate of corporation tax in the UK 26.493%, *(2010: 28%)*. The differences are explained below:

| *Current tax reconciliation* | **2011**<br>**£** | 2010<br>£ |
|---|---|---|
| Profit (loss) on ordinary activities before taxation | **3,399** | (1,774) |
| Current tax at composite rate of 26.493% *(2010: 28%)* | **900** | (497) |
| *Effects of:* | | |
| Tax effects of UK to UK transfer pricing arrangements | **(2,431)** | (667) |
| Prior year adjustments | **6,108** | - |
| Total current tax credit | **4,577** | (1,164) |

*Factors affecting the future tax charge*

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012.
This will reduce the company's future current tax charge accordingly.

## Notes *(continued)*

### 7 Debtors

| | 2011 £ | 2010 £ |
|---|---|---|
| Amounts owed by group undertakings | **587,383** | 596,988 |
| Group relief receivable | **1,531** | 1,389 |
| Corporation tax | **-** | 48,607 |
| | **588,914** | 646,984 |

Amounts owed by group undertakings are recoverable on demand and are non- interest bearing.

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

| | 2011 £ | 2010 £ |
|---|---|---|
| Amounts owed to group undertakings | **271** | 57,163 |

### 9 Called up share capital

| | 2011 £ | 2010 £ |
|---|---|---|
| ***Authorised, allotted, called up and fully paid*** | | |
| 1 Ordinary share of £1 | **1** | 1 |

### 10 Profit and loss account

| | £ |
|---|---|
| At beginning of year | 589,820 |
| Loss for the year | (1,178) |
| At end of year | **588,642** |

### 11 Reconciliation of movement in shareholders' funds

| | 2011 £ | 2010 £ |
|---|---|---|
| **Loss for the financial year being net reduction to shareholders' funds** | **(1,178)** | (610) |
| Opening shareholders' funds | **589,821** | 590,431 |
| **Closing shareholders' funds** | **588,643** | 589,821 |

## Notes *(continued)*

### 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.

No other group financial statements include the results of the company.

The consolidated financial statements of Halliburton Company are available to the public and can be obtained from Investors Relations at www.halliburton.com.