Team Energy Resources Limited

Annual report and financial statements
Registered number 02125855
31 December 2015

Contents

Strategic report

The directors presents their Strategic report for the year ended 31 December 2015.

Principal activities

Team Energy Resources Limited is part of the Project Support Services business of Acteon, which is a global subsea services organisation. The group comprises a number of industrial-leading brands, which are principally focused on those aspects of offshore oil and gas development and operations which link wells on the seabed with facilities on the surface.

Business model

Team Energy Resources Limited is a leading international agency provider of manpower services to the offshore oil and gas industry. Using its extensive contractor database the company supplies labour requirements to its customer base within the drilling, completion and intervention, pipeline and process and subsea inspection sectors.

The company employs approximately 35 people from its offices in Norwich and Aberdeen, UK.

Business review and results

2015 saw a continuation of the very severe downward trend in the price of crude oil which started in the second half of 2014. Though 2015 saw a modest recovery in prices, peaking at around $65 per barrel in June, the later months of the year saw a further decline and the price ended 2015 at $36. This sustained period of materially lower crude oil prices has led to significant changes in the investment plans and activity levels of oil and gas companies as they seek to conserve cash and support profit margins.

The Company's financial performance in 2015 fully reflects this change in market conditions. Turnover in the year was £21,971,000 *(2014: £28,278,000)* and the profit after taxation was £340,000 *(2014: £492,000)*.

Key performance indicators

Key performance indicators pertinent to the company are shown below. This demonstrates the underlying operational performance (gross margin and EBITDA) and the level of continued investment in the company's underlying revenue generating resources (average number of employees).

	2015	2014
Gross Margin % of revenues	**8.0%**	7.5%
Earnings before interest, tax, depreciation and amortisation (EBITDA) (£000)*	**934**	817
Average number of employees	**36**	41

* Prior to certain costs totalling £84,000 (*2014 : £48,000*) of a non-operating nature.

Principal risks and uncertainties

The directors have taken steps to ensure that the day-to-day risks which face the company such as, health and safety and commercial risks, are managed comprehensively by the company, by insurance cover which should mitigate the impact of risks turning into reality, and by the preparation and review of comprehensive monthly management financial reporting packages which can alert the board where appropriate to developments in trading performance and cash management.

Any business operates against a background of risks and uncertainties. The directors believe that the principal risks facing the company are:

- There could be a tail-off in the current activity levels in the offshore oil and gas exploration and production industry worldwide as a result of various factors including, but not limited to, a fall in oil prices.
- It could become more difficult to recruit and retain the highly qualified and experienced staff required in order to operate.
- The considerable health and safety risks which are inherent to the offshore oil and gas industry.

Strategic report *(continued)*

Future developments

In light of the significant reductions in crude oil prices, it is expected that international oil companies, national oil companies and independents will continue to make reductions in their investment programmes and place lower levels of business with their contractors, including Team Energy Resources Limited. Therefore turnover reductions are anticipated in 2016.

The Company will continue to undertake measures to mitigate the impact of these developments on its margins, profitability and cash flow, while retaining the capabilities and skills which will be necessary when activity levels start to rise.

By order of the board

Dr B Bruggaier
Director

Ferry side
Ferry Road
Norwich
NR1 1SW

31 May 2016

Directors' report

The directors presents their report for the year ended 31 December 2015.

Financial instruments

The company sells to most of its clients on customary credit terms and is, as a result, exposed to the usual credit risk and cash flow risk associated with this form of trading. It manages this risk through its credit control procedures. The existence of these trade credit facilities does not expose the company to price risk or liquidity risk.

The company does not currently deploy interest rate or currency hedging since these risks are dealt with by, and at the level of, its parent company.

Proposed dividend

The directors do not recommend the payment of a dividend *(2014:£nil).*

Directors

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

Dr B Bruggaier (appointed 17 March 2016)
C Pym (appointed 17 March 2016)
P L Alcock (resigned 17 March 2016)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirms 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 the steps that he ought to have taken as a director to make themselves 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

Dr B Bruggaier
Director

Ferry side
Ferry Road
Norwich
NR1 1SW

31 May 2016

Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, 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), including *FRS 101 Reduced Disclosure Framework.*

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 year. In preparing these financial statements, the directors 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 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 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 Team Energy Resources Limited

We have audited the financial statements of Team Energy Resources Limited for the year ended 31 December 2015 set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including *FRS 101 Reduced Disclosure Framework.*

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 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 and of its profit 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

KPMG

Independent auditor's report to the members of Team Energy Resources 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.

Stephen Muncey

Stephen Muncey (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Botanic House
100 Hills Road
Cambridge
CB2 1AR

2 June 2016

Profit and Loss Account and Other Comprehensive Income
for year ended 31 December 2015

	Note	2015 £000	2014 £000
Turnover	*2*	**21,971**	28,278
Cost of sales		**(20,221)**	(26,157)
Gross profit		**1,750**	2,121
Administrative expenses		**(916)**	(1,364)
Operating profit		**834**	757
Interest receivable and similar income	*6*	**7**	35
Amounts written off investments	*10*	**(245)**	-
Interest payable and similar charges	*7*	**(85)**	(126)
Profit on ordinary activities before taxation	*3-5*	**511**	666
Tax on profit on ordinary activities	*8*	**(171)**	(174)
Profit for the financial year		**340**	492
Other comprehensive income		-	-
Total comprehensive income for the year		**340**	492

All results relate to continuing activities.

Balance Sheet
at 31 December 2015

	Note	2015		2014	
		£000	**£000**	£000	£000
Fixed assets					
Tangible assets	*9*	**33**		38	
Investments	*10*	**130**		121	
			163		159
Current assets					
Debtors	*11*	**3,040**		6,619	
Cash at bank and in hand		**1,412**		-	
		4,452		6,619	
Creditors: amounts falling due within one year	*12*	**(3,102)**		(5,605)	
Net current assets			**1,350**		1,014
Total assets less current liabilities			**1,513**		1,173
Net assets			**1,513**		1,173
Capital and reserves					
Called up share capital	*14*		**60**		60
Profit and loss account			**1,453**		1,113
Shareholder's funds			**1,513**		1,173

These financial statements were approved by the directors on 31 May 2016 and were signed by:

C Pym
Director

Statement of Changes in Equity

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2014	60	621	681
Total comprehensive income for the year			
Profit for the year	-	492	492
Balance at 31 December 2014	**60**	**1,113**	**1,173**

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2015	60	1,113	1,173
Total comprehensive income for the year			
Profit for the year	-	340	340
Balance at 31 December 2015	**60**	**1,453**	**1,513**

Notes
(forming part of the financial statements)

1 Accounting policies

Team Energy Resources Limited (the "Company") is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements have been prepared for the first time in accordance with Financial Reporting Standard *101 Reduced Disclosure Framework FRS 101*. The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and July 2015 have been applied.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance is detailed in note 19.

In preparing these financial statements, the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"), making amendments where necessary in order to comply with the Companies Act 2006. The Company has also taken advantage of the available FRS 101 disclosure exemptions in relation to the following:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

The Company's parent undertaking, Acteon Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Acteon Group Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House, Cardiff, CF14 3UZ.

The consolidated financial statements of Acteon Group Limited include the disclosures required by IAS 36 *Impairment of assets*, and IFRS 7 *Financial Instruments: Disclosures* and IFRS 13 *Fair Value Measurements*, both relating to financial instruments. As a consequence the Company has also taken the exemptions under FRS 101 not to include the equivalent disclosures in respect of financial instruments apart from those which are relevant for financial instruments held at fair value and are not either held as part of a trading portfolio or derivatives.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

The directors have not made any judgements, in the application of these accounting policies that have significant effect on the financial statements or in relation to estimates with a significant risk of material adjustment in the next year.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

Notes *(continued)*

1 Accounting policies *(continued)*

1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic report on pages 1 to 2.

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. It also participates, and will continue to participate, in the group's centralised treasury arrangements and so will continue to share banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the responses to their enquiries from the directors of the company's parent Acteon Group Limited, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Acteon Group to continue as a going concern or its ability to continue with the current banking arrangements.

1.3 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

When an element of a tangible fixed asset item has a different useful life, it is accounted for as a separate tangible fixed asset item.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Plant and machinery, fixtures and fittings	4 years straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise investments, trade and other debtors, cash and bank borrowings, and trade and other creditors.

Investments

Investments in subsidiaries are carried at cost less impairment.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

1.5 Classification of financial instruments issued by the company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets, or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments, or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Turnover

Turnover comprises the value of goods and services supplied by the Company in the normal course of business, net of trade discounts and sales taxes.

The Company recognises turnover in line with the fulfilment of its contractual obligations. In most cases relating to the supply of goods this represents the fulfilment of all obligations contained in its contracts. However in certain circumstances specific elements of the total income relating to a contract are recognised where completion of these elements entitles the Company to the income.

Rental and operating lease income is recognised on a straight line basis over the period of the rental or lease contract. Turnover includes revenue on incidental disposals of ex-rental assets as and when they are sold.

1.7 Interest receivable and interest payable

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.9 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account on a net basis.

Notes *(continued)*

1 Accounting policies *(continued)*

1.10 Impairment

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss.

1.11 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.12 Intra group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

1.13 Operating lease payments

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

2 Turnover

Disclosure by geographical sector has not been made as required under SI2008 No. 410 Schedule 1 paragraph 68 (2) of the Companies Act 2006 as the directors is of the opinion that disclosure of such information would be seriously prejudicial to the interests of the Company.

	2015	2014
	£000	£000
Rendering of services	**21,971**	28,278
Total turnover	**21,971**	28,278

Notes *(continued)*

3 Expenses and auditor's remuneration

Included in operating profit are the following:

	2015 £000	2014 £000
Depreciation and other amounts written off tangible fixed assets - Owned	16	12
Auditor's remuneration:		
Audit of these financial statements	12	12

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Acteon Group Limited.

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2015	2014
Directors	1	1
Technical and administration	35	40
	36	41

The aggregate payroll costs of these persons were as follows:

	2015 £000	2014 £000
Wages and salaries	1,328	1,882
Social security costs	182	227
Contributions to defined contribution plans	24	28
	1,534	2,137

5 Directors' remuneration

No emoluments were paid to the directors who served during the period. The cost was borne by another group company. It is not possible to allocate a fair apportionment of these costs as services are provided to multiple entities.

6 Interest receivable and similar income

	2015 £000	2014 £000
Net foreign exchange gain	7	35
Total interest receivable and similar income	7	35

Notes *(continued)*

7 Interest payable and similar charges

	2015 £000	2014 £000
Interest payable on bank borrowings	**85**	126
Total interest payable and similar charges	**85**	126

8 Taxation

Recognised in the profit and loss account

	2015		2014	
	£000	£000	£000	£000
UK corporation tax				
Current tax on income for the year	**137**		107	
Adjustments in respect of prior years	-		8	
		137		115
Foreign tax				
Current tax on income for the year	**43**		57	
Adjustments in respect of prior years	-		7	
		43		64
Total current tax		**180**		179
Deferred tax (see note 13)				
Origination and reversal of temporary differences	**(10)**		(5)	
Effect of change in rate of tax	**1**		-	
Total deferred tax		**(9)**		(5)
Tax on ordinary activities		**171**		174

Notes *(continued)*

8 Taxation *(continued)*

Reconciliation of effective tax rate

	2015 £000	2014 £000
Profit for the year	340	492
Total tax expense	171	174
Profit excluding taxation	511	666
Tax using the UK corporation tax rate of 20.25% (2014 : 21.50%)	103	143
Reduction in tax rate on deferred tax balances	3	-
Non-deductible expenses	50	-
Adjustments in respect of prior years	-	15
Foreign tax credits not used	15	16
Total tax expense	171	174

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 31 December 2015 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly and reduce the deferred tax asset at 31 December 2015.

9 Tangible fixed assets

	Plant and Machinery, Fixtures and Fittings £000
Cost	
Balance at 1 January 2015	113
Additions	11
Balance at 31 December 2015	124
Depreciation and impairment	
Balance at 1 January 2015	75
Depreciation charge for the year	16
Balance at 31 December 2015	91
Net book value	
At 1 January 2015	38
At 31 December 2015	33

Notes *(continued)*

10 Fixed asset investments

	Shares in group undertakings
Cost	**£000**
Balance at 1 January 2015	121
Additions	254
Balance at 31 December 2015	**375**
Impairment	
Impairment losses	245
Balance at 31 December 2015	**245**
Net book value	
At 1 January 2015	121
At 31 December 2015	**130**

The Company has the following investments in subsidiaries:

	Class of shares held	Country of incorporation	Ownership 2015	2014
Team Energy Resources Asia Pte Ltd	Ordinary share capital	Singapore	**100%**	100%

11 Debtors

	2015 £000	2014 £000
Trade debtors	**2,622**	6,058
Amounts owed by group undertakings	**62**	73
Other debtors	**284**	407
Deferred tax assets *(see note 13)*	**21**	12
Prepayments and accrued income	**51**	69
	3,040	6,619

The amounts due from group undertakings are non-interest bearing and repayable on demand.

12 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Bank overdrafts	**1,698**	3,826
Trade creditors	**998**	1,163
Amounts owed to group undertakings	**165**	26
Taxation and social security	**36**	138
Other creditors	**10**	15
Accruals and deferred income	**195**	437
	3,102	5,605

The amounts due to group undertakings are non-interest bearing and repayable on demand.

Notes *(continued)*

13 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2015 £000	Assets 2014 £000
Tangible fixed assets	9	12
Tax value of loss carry-forwards	3	-
Other	9	-
Deferred tax asset	21	12

Movement in deferred tax during the year

	1 January 2015 £000	Recognised in income £000	31 December 2015 £000
Tangible fixed assets	12	(3)	9
Tax value of loss carry-forwards	-	3	3
Other	-	9	9
	12	9	21

Movement in deferred tax during the prior year

	1 January 2014 £000	Recognised in income £000	31 December 2014 £000
Tangible fixed assets	7	5	12
	7	5	12

14 Capital and reserves

Share capital

	2015 £000	2014 £000
Allotted, called up and fully paid		
60,000 *(2014 : 60,000)* Ordinary shares of £1 each	60	60

Retained earnings

Retained earnings comprise cumulative undistributed earnings of the Company.

Notes *(continued)*

15 Defined contribution scheme

The Company operates a defined contribution pension plan. The total expense relating to this plan in the current year was £24,000 *(2014: £28,000).*

16 Contingent liabilities

The company has a cross guarantee with other group companies in respect of group borrowings.

17 Related parties

During the year, the company traded with certain related parties in the ordinary course of business. The purchases from and sales to those parties were as follows;

Related party	**Relationship**	**Transaction**	**2015 £000**	2014 £000
UTEC NCS Survey Limited	Common control	Sales	**880**	-

The amounts owed to and by related parties at the balance sheet date were as follows:

Related party	**Relationship**	**Balances**	**2015 £000**	2014 £000
Team Energy Resources Middle East LLC	Common control	Debtor	**29**	8

18 Parent and ultimate controlling party

The company is a subsidiary undertaking of Acteon Group Limited, incorporated in the United Kingdom.

The largest and smallest group in which the results of the company are consolidated is that headed by Acteon Group Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Cardiff, CF14 3UZ.

The company's ultimate parent undertaking is KKR Matterhorn Holdco Limited, a company incorporated in Jersey, and the ultimate controlling party is KKR & Co LP, a limited partnership listed on the New York Stock Exchange. The general partner of KKR & Co LP is KKR Management LLC.

19 Explanation of transition to FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 1 January 2014 (the Company's date of transition).

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. This transition did not affect the reported financial position as at 1 January 2014 (the transition date) or the financial performance for the year-ended 31 December 2014 as previously reported in accordance with UK GAAP, the company's old basis of accounting. Therefore no adjustments have been made to any comparative figures to that included in the 2014 published financial statements, and no reconciliation has been presented