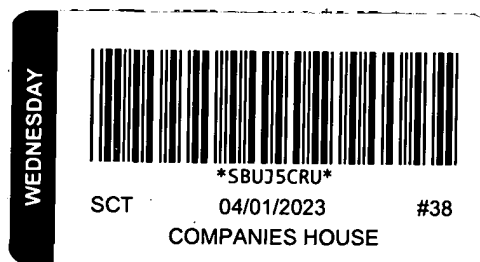


# **Frank's Tubulars International Limited**

## **Annual Report and Financial Statements**

for the year ended 31 December 2021

**Company Registration Number: SC121495**



**Frank's Tubulars International Limited**

**Annual Report and Financial statements**

**For the Year ended 31 December 2021**

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# **Frank's Tubulars International Limited**

## **Directors and Advisors for the year ended 31 December 2021**

### **Directors**

Colin MacKenzie  
John McAlister  
Carole Paley

### **Company Secretary**

S L Eley

### **Registered Office**

Lion House  
Dyce Avenue  
Dyce  
Aberdeen  
AB21 0LQ

### **Independent Auditor**

Deloitte LLP  
Statutory auditor  
Union Plaza  
1 Union Wynd  
Aberdeen  
AB10 1SL

**Company registration number: SC121495**

# **Frank's Tubulars International Limited**

## **Strategic Report for the year ended 31 December 2021**

The Directors present their Strategic Report of Frank's Tubulars International Limited (the "company") for the year to 31 December 2021.

### **Principal activities**

The company's principal activity during the year was the provision of casing and related services to the oil and gas industry. As at 31 December 2021 the company is a member of the Expro group of companies ("Expro Group Holdings N.V. and its subsidiary together referred as "the Group" or "Expro").

### **Review of the business**

Turnover for the year of £758,000 (2020: £985,000) was earned in the last half of the year following recommencement of projects following a hiatus during the Covid-19 pandemic when travel was restricted.

The company began to operate its services within Israel late in 2021 and is looking for this to continue through 2022 and into 2023 as activity levels increase post the Covid-19 Global Pandemic which impacted on 2020 projects. With all activity based in Israel there is no impact of the UK's exit from EEC.

The company had net assets of £220,000 (2020: *net liabilities* £28,000) at 31 December 2021, principally due to it being funded via intercompany trading positions with associated group companies. The company has obtained confirmation from Expro Group Holdings NV, its ultimate parent company, that it will provide adequate financial support to enable the company to meet its third-party obligations for a period of at least one year from the date of approval of these financial statements.

On 1 October 2021, the ultimate Parent Company, Franks International NV merged with Expro in an all-shares transaction. The merger, brings together two companies with decades of market leadership, industry-acknowledged safety and service quality performance and a commitment to innovation and sustainability, to create a leading full-cycle service provider. This creates a truly exciting platform with scale, diversity and strong financial profile to accelerate growth and enhance value for shareholders, employees, customers and partners.

### **Key performance indicators**

The directors of the ultimate holding company, manage operations on a Group basis. For this reason, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development or position of this business.

The results and position of the company is included in the Group's consolidated financial statements and Form 10-K for 31 December 2021, which are discussed at a group level for the ultimate parent, Expro Group Holdings N.V.

# **Frank's Tubulars International Limited**

## **Strategic Report for the year ended 31 December 2021 (continued)**

### **Principal risks and uncertainties**

The company is regularly reviewing and evaluating its risk appetite by way of monthly financial meetings and regular review of the business. The principal risks and uncertainties facing the company are broadly grouped as competitive and credit risk.

**Competitive risks:** In Israel the company is reliant on certain clients for new contracts which are subject to competitive tender. Award of these contracts will be based on operational excellence and quality assurance for which the group has achieved a respected standard and reputation in the market.

**Credit risk** is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

### **Future developments**

Supply uncertainty resulting from the Ukraine conflict, OPEC production decisions and the rate of increase in US oil and gas drilling activity will limit downward pricing pressures in 2022. Integrated Oil Companies are looking to increase the natural gas share of their overall production and thereby balance their gas/liquids portfolios and there is a renewed focus on energy security and reduced European dependence on Russia for hydrocarbon commodities. In parallel to this, national oil companies are focused on accelerating field development efforts in order to stimulate their countries economic recovery, all of which may provide the catalyst for further increased activity. Consequently the company expects demand for its services to trend positively throughout 2022 and into 2023.

Approved and authorised for issue by the board of directors



John McAlister

Director

23 December 2022

# **Frank's Tubulars International Limited**

## **Directors' Report for the year ended 31 December 2021**

The Directors present their report and audited financial statements for the year ended 31 December 2021. The report and the financial statements of the company have been prepared in accordance with the Companies Act 2006.

### **Results and Dividends**

The profit for the financial year was £248,000 (2020 loss: £963,000). The Directors do not recommend payment of a dividend (2020: £nil).

### **Directors and their interests**

The Directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

P N Sibille	- Resigned 2 March 2022
C A Forbes	- Resigned 30 December 2021
M Cougle	- Resigned 2 March 2022
Colin MacKenzie	- Appointed 2 March 2022
Lewis McAlister	- Appointed 2 March 2022
Carole Paley	- Appointed 2 March 2022

### **Business review and future developments**

The directors have chosen in accordance with S414c (11) of the Companies Act 2006 (the "Act") to include in the Strategic report, such matters, that would otherwise be required by regulations made under s416(4) of the Act to be disclosed in the Directors' report, as the directors consider are of strategic importance to the Company. Therefore, the information contained in the Strategic report constitutes a review of our business and details of expected future developments of our business.

### **Streamlined Energy and Carbon Reporting Statement**

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implement the UK government's policy on Streamlined Energy and Carbon Reporting (SECR). As the company consumes less than 40,000Kwh in the United Kingdom no reporting is required.

### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Going Concern**

The company has net assets of £220,000 as at 31 December 2021 (2020: net liabilities £28,000), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company to meet its liabilities as they fall due for that period.

## **Frank's Tubulars International Limited**

### **Directors' Report for the year ended 31 December 2021 (continued)**

#### **Going Concern (continued)**

Those forecasts are dependent on the ultimate parent company, not seeking repayment of the amounts currently due to other group entities which at 31 December 2021 amounted to £2,060,000, and providing additional financial support during that period. Expro Group Holdings NV has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts currently due at the balance sheet date, for the period covered by the forecasts. 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.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### **Events after the reporting date**

Events between the reporting date and the date the financial statements were authorised for issue that require disclosure are set out in Note 9.

#### **Independent Auditors**

During the year, KPMG LLP resigned as auditors and the directors appointed Deloitte.

The auditors, Deloitte, will be proposed for reappointment in accordance with section 486 of the Companies Act 2006.

Approved and authorised for issue by the board of directors



John McAlister

Director

23 December 2022

## **Frank's Tubulars International Limited**

### **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 regulation.

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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

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 the 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.



## **Independent Auditors' Report to the members of Frank's Tubulars International Limited**

### **Opinion**

In our opinion, the financial statements of Frank's Tubulars International Limited ("the Company"):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 *"The Financial Reporting Standard applicable in the UK and Republic of Ireland"*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of total comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *"The Financial Reporting Standard applicable in the UK and Republic of Ireland"* (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# **Independent Auditors' Report to the members of Frank's Tubulars International Limited**

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

## **Independent Auditors' Report to the members of Frank's Tubulars International Limited**

### **Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Health and Safety Regulations.

We discussed among the audit engagement team, including relevant internal specialists such as tax specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements. As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

Uncertain tax position due to ongoing tax audit by Israeli tax authority – given the longevity of the tax audit process there is a potential exposure that requires appropriate provisions at the balance sheet date, which has been identified as a significant risk. In order to address the risk:

- We examined relevant correspondence with Israeli tax authorities to understand any potential relevant exposures;
- We considered and confirmed statutory limitations of liability;
- We assessed the completeness of the exposure with reference to the historically audited general ledgers;
- We held discussions with both internal and external tax advisors.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with tax authorities.

## **Independent Auditors' Report to the members of Frank's Tubulars International Limited**

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### **Matters on which we are required to report by exception**

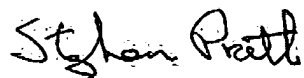
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

#### **Use of our report**

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.



Stephen Pratt CA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

Aberdeen

23 December 2022

**Frank's Tubulars International Limited**  
**Profit and Loss Account as at 31 December 2021**

	<i>Note</i>	<i>2021 £'000</i>	<i>2020 £'000</i>
<b>Turnover</b>	2	758	985
Cost of sales		(708)	(912)
<b>Gross profit</b>		50	73
Administrative expenses		55	(54)
<b>Operating profit</b>	3	105	19
Interest received		5	8
<b>Profit before taxation</b>		110	27
Tax on profit	5	138	(990)
<b>Profit/(Loss)for the financial year</b>		248	(963)

All amounts relate to continuing operations.

**Frank's Tubulars International Limited**  
**Balance Sheet as at 31 December 2021**

	Note	2021 £'000	2020 £'000
<b>Current assets</b>			
Debtors	6	4,135	3,257
Cash at bank and in hand		23	97
		<u>4,158</u>	<u>3,354</u>
<b>Creditors: amounts falling due within one year</b>	7	(3,938)	(3,382)
<b>Net current assets/ (liabilities)</b>		<u>220</u>	<u>(28)</u>
<b>Net assets/(liabilities)</b>		<u>220</u>	<u>(28)</u>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account		220	(28)
<b>Total shareholders' surplus/(deficit)</b>		<u>220</u>	<u>(28)</u>

The financial statements on pages 11 to 20 were approved for issue by the Board of Directors on 23 December 2022 and were signed on its behalf by:



John McAlister  
 Director

Company registration number: SC121495

# Frank's Tubulars International Limited

## Statement of Changes in Equity for the year ended 31 December 2021

	<i>Called up Share Capital</i>	<i>Profit and loss account</i>	<i>Total Equity</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 January 2020	-	935	935
Loss for the year and total comprehensive income	-	(963)	(963)
<b>At 31 December 2020</b>	<u>-</u>	<u>(28)</u>	<u>(28)</u>
At 1 January 2021	-	(28)	(28)
Profit for the year and total comprehensive income	-	248	248
<b>At 31 December 2021</b>	<u>-</u>	<u>220</u>	<u>220</u>

# Frank's Tubulars International Limited

## Notes to the financial statements for the year ended 31 December 2021

### General information

The company is a private limited company by shares and is incorporated and domiciled in Scotland.

### 1. Accounting policies

#### *Basis of preparation*

The financial statements have been prepared on a going concern basis, under the historical cost convention in accordance with applicable Accounting Standards in the UK including Financial Reporting Standard 102, "The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

All amounts in the financial statements have been rounded to nearest £1,000.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation.

As the consolidated financial statements of Expro Group Holdings include the equivalent disclosures, the Company has also taken the exemption under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS102.26 Share Based Payments; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### *Going Concern*

The company has net assets of £220,000 as at 31 December 2021 (2020: *net liabilities* £28,000), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the ultimate parent company. not seeking repayment of the amounts currently due to other group entities which at 31 December 2021 amounted to £2,060,000, and providing additional financial support during that period. Expro Group Holdings NV has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts currently due at the balance sheet date, for the period covered by the forecasts. 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.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.



# **Frank's Tubulars International Limited**

## **Notes to the financial statements for the year ended 31 December 2021 (continued)**

### **1. Accounting policies (continued)**

#### ***Basic Financial Instruments***

##### *Trade and other debtors/creditors*

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Cash and Cash Equivalents*

Cash in hand and deposits repayable on demand with any qualifying financial institution, less overdrafts from any qualifying financial institution repayable on demand. Deposits are repayable on demand as they can be withdrawn at any time without notice and without penalty and/or a maturity or period of notice of not more than 24 hours or one working day has been agreed. Cash includes cash in hand and deposits denominated in foreign currencies.

##### *Financial Liabilities*

Basic financial liabilities, including bank loans and loans from fellow group companies, are initially recognised at transaction prices, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

#### ***Turnover***

Turnover represents invoiced amounts net of excise duties and VAT for the supply of goods and services to third parties and the other group companies.

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. The following criteria must also be met before turnover is recognised:

##### *Sale of goods*

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

##### *Rental and Services*

Turnover from the rental of equipment and service is recognised on a per day basis by reference to delivery and service tickets duly signed by the customer.

#### ***Tax***

##### *(i) Corporation Tax*

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.

# **Frank's Tubulars International Limited**

## **Notes to the financial statements for the year ended 31 December 2021 (continued)**

### **1. Accounting policies (continued)**

#### *(ii) Deferred tax*

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates, branch, joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

#### ***Functional and reporting currencies***

The financial statements are presented in pounds sterling which is the functional currency of the company and constitutes the principal income stream of the company.

#### ***Foreign currencies***

Transactions denominated in foreign currencies are translated at the exchange rates ruling on their transaction date.

The assets and liabilities of foreign operations, are translated to the Company's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

#### ***Operating leases***

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

# Frank's Tubulars International Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 1. Accounting policies (continued)

#### *Interest income and expense*

Interest income and interest expense is recognised in the income statement using the effective interest method.

#### *Related party transactions*

In accordance with the exemption allowed by paragraph 33.1A of FRS 102, no disclosure is made of transactions with other member companies of the Expro Group or investees of the Group qualifying as wholly owned group companies.

#### *Significant accounting judgments, estimates and assumptions*

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

Estimates and judgments are reviewed on an on-going basis and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Included within other debtors is £2,792,748 (2020: £881,637) in relation to tax receivables from overseas tax authorities that have been subject to delays in receipt. It is the judgement of the directors that these balances are recoverable in full and will be offset against arising tax assessments on overseas activities. There is some uncertainty as to the final outcome of those assessments and full provision has been made of potential liabilities that may arise from the respective tax authority audit of all current open tax periods and included in other creditors is £1,758,057 (2020: nil) as a provision against this amount.

### 2. Turnover

The company's turnover arises from one class of business, the provision of casing and related services to the oil and gas industry and is derived from Israel.

### 3. Operating Profit

	2021 £'000	2020 £'000
This is stated after charging/(crediting):		
Auditors' remuneration	7	7
Rentals under operating leases	364	517
Foreign exchange (Gain)	(296)	(11)
	<u>          </u>	<u>          </u>

### 4. Directors' remuneration

The directors did not receive any emoluments in respect of their services to the company in either 2021 or 2020.

# Frank's Tubulars International Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 5. Tax on profit on ordinary activities

The taxation charge is made up as follows:

	2021 £'000	2020 £'000
<i>Current tax:</i>		
UK Corporation Tax	-	-
Foreign tax	(133)	990
Adjustment in respect of prior years	(5)	-
Total tax (credit)/charge	<u>(138)</u>	<u>990</u>

### Factors affecting Tax Charge for the year

The tax assessed on the profit on ordinary activities for the year is higher than (2019: higher than) the standard rate of corporation tax of 19% in the UK (2020 – 19%). The differences are reconciled below:

	2021 £'000	2020 £'000
Profit on ordinary activities before taxation	<u>281</u>	<u>27</u>
Profit on ordinary activities before taxation at the standard UK corporation tax rate of 19% (2020 – 19%)	53	5
Group relief	(53)	(5)
Unrelieved foreign taxes	(133)	990
Adjustment to tax charge in respect of prior years	(5)	-
Total current tax (credit)/charge	<u>(138)</u>	<u>990</u>

### Tax Rate Changes

The Finance Bill 2021 enacted on 24 May 2021 was set to introduce a 25% tax rate from 1 April 2023 and is the substantively enacted rate at the balance sheet date.

### 6. Debtors

	2021 £'000	2020 £'000
Trade debtors	888	-
Amounts owed by group undertakings	197	2,291
Other debtors	3,050	966
	<u>4,135</u>	<u>3,257</u>

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

Included in other debtors is £2,792,748 (2020: £942,000) relating to WHT receivable and is subject to ongoing tax authority audit overseas.

## **Frank's Tubulars International Limited**

### **Notes to the financial statements for the year ended 31 December 2021 (continued)**

#### **10. Ultimate parent company**

The company's immediate parent undertaking is Frank's International Ltd, incorporated in United Kingdom whose registered office is same as the company's.

The Company's ultimate parent company and ultimate controlling party is Expro Group Holdings N.V. ("EGHNV"), a company incorporated in The Netherlands following the merger between Franks international and the Expro group on 1st October 2021. Prior to which the Company's ultimate parent company and ultimate controlling party was Frank's International N.V.

The parent company of the smallest and largest group for which consolidated financial statements are prepared and which include the Company is EGHNV (registered address: Mastenmakerweg 1, 1786 PB, Den Helder, The Netherlands and website: [www.exprogroup.com](http://www.exprogroup.com)).