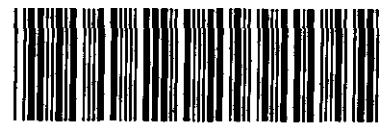


COMPANY REGISTRATION NUMBER SC129807

**FINDGOLDEN LIMITED**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2008**

MONDAY



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08/06/2009

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COMPANIES HOUSE

**ERNST & YOUNG LLP**

Chartered Accountants Chartered Registered Auditors

Blenheim House  
Fountainhall Road  
Aberdeen  
AB15 4DT

# **FINDGOLDEN LIMITED**

## **FINANCIAL STATEMENTS**

**PERIOD FROM 1 JANUARY 2007 TO 31 MARCH 2008**

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# **FINDGOLDEN LIMITED**

## **THE DIRECTORS' REPORT**

### **PERIOD FROM 1 JANUARY 2007 TO 31 MARCH 2008**

The directors have pleasure in presenting their report and the financial statements of the company for the period from 1 January 2007 to 31 March 2008.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was that of group holding company. During the period one of the company's subsidiaries, RDT Precision Engineers Limited, continued to be involved in the manufacture of precision engineering components for the oil related and general engineering industries, whilst Roller Precision Products Limited remained dormant throughout the period.

There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

#### **RESULTS AND DIVIDENDS**

The profit for the period amounted to £150,000. Particulars of dividends paid are detailed in note 6 to the financial statements.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

##### *Financial risk management objectives and policies*

The company manages competitive trading risk by providing added value services to its customers and by maintaining strong relationships with them. "Quality at work" is the corporate policy fundamental to the company's ethos. The company's quality assurance engineering processes are rigorously applied.

The company's transactions are predominately in Sterling but minimal transactions (sales and purchases) are in other currencies and the company is therefore exposed to the movement in foreign exchange rates.

The company monitors its risk to a shortage of funds using rolling forecasts.

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of parent company loans, finance leases and hire purchase contracts. The parent company ensures that working capital requirements are met.

Interest on group loans are charged at 1.5% above base rate and the company is exposed to interest rate risk to the extent of group loans at the balance sheet date.

#### **DIRECTORS**

The directors who served the company during the period were as follows:

Mrs L Thomson  
Mr R Thomson  
B W Gill  
J G Burgess  
C McGeehan

# **FINDGOLDEN LIMITED**

## **THE DIRECTORS' REPORT** *(continued)*

### **PERIOD FROM 1 JANUARY 2007 TO 31 MARCH 2008**

B W Gill was appointed as a director on 27 February 2007.  
J G Burgess was appointed as a director on 27 February 2007.  
C McGeehan was appointed as a director on 27 February 2007.

Mrs L Thomson retired as a director on 27 February 2007.  
Mr R Thomson retired as a director on 27 February 2007.

#### **POLICY ON THE PAYMENT OF CREDITORS**

The company's policy is to agree terms or transactions, including payment terms, with suppliers and provided the suppliers perform in accordance with agreed terms, it is the Group's normal practice that payment is made accordingly.

#### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- 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 the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# **FINDGOLDEN LIMITED**

## **THE DIRECTORS' REPORT** *(continued)*

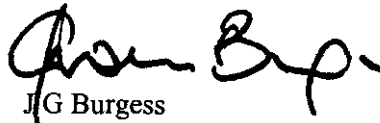
**PERIOD FROM 1 JANUARY 2007 TO 31 MARCH 2008**

### **AUDITOR**

A resolution to re-appoint Ernst & Young LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
12-16 Albyn Place  
Aberdeen  
AB10 1PS

Signed on behalf of the directors



J.G. Burgess

Director

Approved by the directors on 4 June 2009

# **FINDGOLDEN LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FINDGOLDEN LIMITED**

### **PERIOD FROM 1 JANUARY 2007 TO 31 MARCH 2008**

We have audited the financial statements of Findgolden Limited for the period ended 31 March 2008 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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

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 group's and 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.

# **FINDGOLDEN LIMITED**

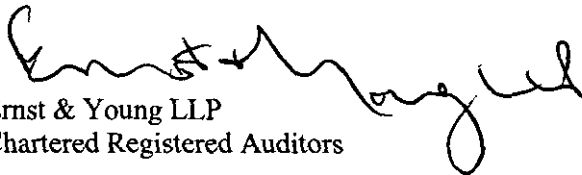
## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FINDGOLDEN LIMITED *(continued)***

**PERIOD FROM 1 JANUARY 2007 TO 31 MARCH 2008**

### **OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its result for the period 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.



Ernst & Young LLP  
Chartered Registered Auditors

4 June 2009

# FINDGOLDEN LIMITED

## PROFIT AND LOSS ACCOUNT

**PERIOD FROM 1 JANUARY 2007 TO 31 MARCH 2008**

	Note	Period from 1 Jan 07 to 31 Mar 08 £	Year to 31 Dec 06 £
<b>TURNOVER</b>		—	—
<b>OPERATING PROFIT</b>	<b>2</b>	—	—
Income from shares in group undertakings	<b>4</b>	<b>150,000</b>	—
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>150,000</b>	—
Tax on profit on ordinary activities	<b>5</b>	—	—
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<b><u>150,000</u></b>	<b><u>—</u></b>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 8 to 11 form part of these financial statements.



# FINDGOLDEN LIMITED

## BALANCE SHEET

31 MARCH 2008

	Note	31 Mar 08 £	31 Dec 06 £
<b>FIXED ASSETS</b>			
Investments	7	<u>406,697</u>	<u>406,697</u>
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>81,707</u>	<u>81,707</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>324,990</u>	<u>324,990</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	11	61,336	61,336
Share premium account	12	23,999	23,999
Profit and loss account	13	<u>239,655</u>	<u>239,655</u>
<b>SHAREHOLDERS' FUNDS</b>	14	<u>324,990</u>	<u>324,990</u>

These financial statements were approved by the directors and authorised for issue on 4 June 2009, and are signed on their behalf by:



J G BURGESS

The notes on pages 8 to 11 form part of these financial statements.

# FINDGOLDEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2007 TO 31 MARCH 2008

### 1. ACCOUNTING POLICIES

#### Basis of accounting

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

The Directors have prepared the financial statements on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

The centralised group finance function and the cross guarantees which exist within Sovereign Oilfield Group's (the Group's) debt facilities means that the going concern assumption for the Company is inextricably linked to that of the Group. The Group accounts for the year ending 31 March 2008 were approved on 14 May 2009, and have been prepared on the going concern basis.

The Group has issued a letter of support confirming they will provide sufficient funds to allow the company to continue as a going concern for the foreseeable future and until at least 30 June 2010. On the basis of the above the directors believe that it is appropriate to prepare the financial statements on the going concern basis. Full details of the Group's financial position are available in the Group accounts.

#### Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

### 2. OPERATING PROFIT

Operating profit is stated after crediting:

	Period from 1 Jan 07 to 31 Mar 08 £	Year to 31 Dec 06 £
Directors' emoluments	—	—

### 3. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the period.

### 4. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	Period from 1 Jan 07 to 31 Mar 08 £	Year to 31 Dec 06 £
Income from group undertakings	150,000	—

# FINDGOLDEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**PERIOD FROM 1 JANUARY 2007 TO 31 MARCH 2008**

### 5. TAXATION ON ORDINARY ACTIVITIES

No liability to UK corporation tax arose on ordinary activities for the period ended 31 March 2008 nor for the year ended 31 December 2006.

### 6. DIVIDENDS

#### Equity dividends

	Period from 1 Jan 07 to 31 Mar 08 £	Year to 31 Dec 06 £
Paid during the year:		
Dividends on equity shares	<u>150,000</u>	<u>—</u>

### 7. INVESTMENTS

	Shares in group undertakings  £
<b>COST</b>	
At 1 January 2007 and 31 March 2008	<u>406,697</u>
<b>NET BOOK VALUE</b>	
At 31 March 2008	<u>406,697</u>
At 31 December 2006	<u>406,697</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

#### **Roller Precision Limited**

Nature of business: The company did not trade during the period.

	%
Class of shares:	holding
Ordinary	100.00

#### **RDT Precision Engineers Limited**

Nature of business: Manufacturer of precision machine parts for the oil-related, aerospace and general engineering industries.

	%
Class of shares:	holding
Ordinary	100.00

# FINDGOLDEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2007 TO 31 MARCH 2008

### 8. CREDITORS: Amounts falling due within one year

	31 Mar 08	31 Dec 06
	£	£
Amounts owed to group undertakings	80,712	80,712
Other creditors	995	995
	<u>81,707</u>	<u>81,707</u>

### 9. CONTINGENCIES

Sovereign Oilfield Group's (the Group's) bank loans and overdrafts are secured by a floating charge over certain of the group's assets and pledges over the shares of the parent company and its subsidiaries, including those of Findgolden Limited.

### 10. RELATED PARTY TRANSACTIONS

The company is a 100% subsidiary and is included in the consolidated financial statements of Sovereign Oilfield Group Plc. The company is therefore exempt from disclosing transactions with other group companies or with related parties in which the group holds an investment.

### 11. SHARE CAPITAL

#### Authorised share capital:

	31 Mar 08	31 Dec 06
	£	£
98,664 Ordinary Shares shares of £1 each	98,664	98,664
133,600 Ordinary Shares shares of £0.01 each	1,336	1,336
	<u>100,000</u>	<u>100,000</u>

#### Allotted, called up and fully paid:

	31 Mar 08		31 Dec 06	
	No	£	No	£
Ordinary Shares shares of £1 each	60,000	60,000	60,000	60,000
Ordinary Shares shares of £0.01 each	133,600	1,336	133,600	1,336
	<u>193,600</u>	<u>61,336</u>	<u>193,600</u>	<u>61,336</u>

### 12. SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial period.

# FINDGOLDEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2007 TO 31 MARCH 2008

### 13. PROFIT AND LOSS ACCOUNT

	Period from 1 Jan 07 to 31 Mar 08 £	Year to 31 Dec 06 £
Balance brought forward	239,655	239,655
Profit for the financial period	150,000	—
Equity dividends	(150,000)	—
Balance carried forward	<u>239,655</u>	<u>239,655</u>

### 14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 Mar 08 £	31 Dec 06 £
Profit for the financial period	150,000	—
Equity dividends	(150,000)	—
Net addition to shareholders' funds	—	—
Opening shareholders' funds	<u>324,990</u>	<u>324,990</u>
Closing shareholders' funds	<u>324,990</u>	<u>324,990</u>

### 15. POST BALANCE SHEET EVENTS

The ultimate parent company, Sovereign Oilfield Group Plc (the Group), has recently agreed an amendment of terms in respect of debt facilities in place at 31 March 2008. Further information can be found in the Group's Accounts.

### 16. ULTIMATE PARENT COMPANY

The company's immediate parent company is Sovereign Oilfield Services Limited, a company registered in the United Kingdom. Sovereign Oilfield Group PLC, is the ultimate parent company of the group. A copy of the group financial statements, which include the company, are available from 12-16 Albyn Place, Aberdeen AB10 1PS.