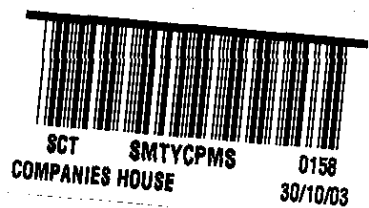


# **Frank's Integrated Services Team Limited**

## **Report and Financial Statements**

31 December 2002

 **ERNST & YOUNG**



# Frank's Integrated Services Team Limited

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Registered No: SC177560

## **Directors**

D K Mosing  
P N Sibille

## **Secretary**

Burnett & Reid  
15 Golden Square  
Aberdeen  
AB10 1WF

## **Auditors**

Ernst & Young LLP  
50 Huntly Street  
Aberdeen  
AB10 1ZN

## **Bankers**

Clydesdale Bank Plc  
1 Queens Cross  
Aberdeen  
AB15 4XU

## **Solicitors and Registered Office**

Burnett & Reid  
15 Golden Square  
Aberdeen  
AB10 1WF

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

### Principal activity

The group's principal activity during the year was the provision services to the oil industry.

### Results and dividends

The profit for the year after taxation was £192,000 (2001: £38,000) and has been transferred to reserves.

### Directors and their interests

The directors who served during the year, D K Mosing and P N Sibille, have no interest in the share capital of the company.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



P Sibille, Director

8 October 2003

## Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which 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 those 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; and
- state whether applicable 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

## **Independent auditors' report**

**to the members of Frank's Integrated Services Team Limited**

We have audited the company's financial statements for the year ended 31 December 2002 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 11. 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 members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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.

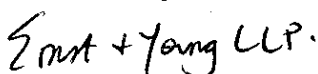
### **Basis of audit opinion**

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP

Registered Auditor

Aberdeen

8 October 2003

## Profit and loss account

for the year ended 31 December 2002

	<i>Notes</i>	<i>2002 £000</i>	<i>2001 £000</i>
<b>Turnover</b>	2	2,280	751
Cost of sales		2,049	713
<b>Profit on ordinary activities before taxation</b>		<u>231</u>	<u>38</u>
Tax on profit on ordinary activities	4	39	-
<b>Retained profit for the year</b>	8	<u>192</u>	<u>38</u>

There are no recognised gains or losses for the current financial year and preceding financial year other than as stated above.

## Balance sheet

at 31 December 2002

	Notes	2002 £000	2001 £000
<b>Current assets</b>			
Debtors	5	3,198	1,457
Cash at bank and in hand		16	50
		<u>3,214</u>	<u>1,507</u>
<b>Creditors: amounts falling due within one year</b>	6	2,900	1,385
		<u>314</u>	<u>122</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	7	-	-
Profit and loss account	8	314	122
		<u>314</u>	<u>122</u>
<b>Equity shareholders' funds</b>			
		<u>314</u>	<u>122</u>

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P Sibille  
Director

8 October 2003

## Notes to the financial statements

for the year ended 31 December 2002

### 1. Accounting policies

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

#### *Accounting convention*

The financial statements are prepared under the historical cost convention.

### 2. Turnover

Turnover which is stated net of value added tax, represents amounts to third parties, all of which arise in the United Kingdom. Turnover is attributable to one continuing activity, oil services.

Turnover represents sales at invoice value less discounts allowed and excluding value added tax.

### 3. Information regarding directors and employers

The company had no employees during the year.

The directors received no remuneration during the year.

### 4. Tax

#### (a) Tax on profit/(loss) on ordinary activities

The tax charge is made up as follows:

	2002 £000	2001 £000
<i>Current tax:</i>		
Corporation tax	39	-
Tax over provided in previous years	-	-
Total current tax (note 4(b))	<u>39</u>	<u>-</u>

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax of 30% (2001 – 30%). The differences are reconciled below:

	2002 £000	2001 £000
Profit on ordinary activities before tax	231	38
Profit on ordinary activities multiplied by standard rate of 30% (2001 – 30%)	69	11
Group relief received for nil consideration	(30)	(11)
Total current tax charge (note 4(a))	<u>39</u>	<u>-</u>

#### (c) Factors that may affect future tax charges

There are no factors affecting future tax charges.



## Notes to the financial statements

for the year ended 31 December 2002

### 5. Debtors

	2002 £000	2001 £000
Amounts due from immediate parent undertaking	3,198	1,457

### 6. Creditors: amounts falling due within one year

	2002 £000	2001 £000
Amounts due to fellow subsidiary	2,861	1,385
Corporation tax payable	39	-
	2,900	1,385

### 7. Called up share capital

	<i>Authorised</i>	
	2002 £000	2001 £000
1,000 ordinary shares of £1 each	1	1
	<i>Allotted and issued</i>	
	2002 £000	2001 £000
1 ordinary share of £1 each	-	-

### 8. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i> £000	<i>Profit &amp; loss account</i> £000	<i>Total</i> £000
As at 1 January 2001	-	84	84
Profit for the year	-	38	38
As at 31 December 2001	-	122	122
Profit for the year	-	192	192
As at 31 December 2002	-	314	314

## Notes to the financial statements

for the year ended 31 December 2002

### 9. Related party transactions

During the year, the company had the following transactions with related parties:

<i>Related party</i>	<i>Nature of related transaction</i>	<i>Aggregate value £000</i>	<i>Year end balance creditor £000</i>
Franks International (BVI) Limited	Rental of equipment from fellow subsidiary	2,166	2,861

The company has taken advantage of paragraph 3 (c) of FRS8 (Related Party Disclosures) which allows exemption from disclosure of related party transactions within other UK group companies.

### 10. Ultimate parent company

The immediate parent company is Frank's International Limited. The company considers its ultimate parent undertaking to be Frank's International (Bermuda) Limited, a company incorporated in Bermuda.

Copies of Frank's International Limited group financial statements can be obtained by application to Frank's International Limited, Hareness Circle, Altens, Aberdeen.

### 11. Statement of cash flows

The company has taken advantage of the exemptions allowed by the Financial Reporting Standard Number 1 (revised) from preparing a Statement of Cash Flow.