Company Registration No. SC206333

Target Energy Group Limited

Report and Financial Statements

31 December 2014

Target Energy Group Limited

Report and financial statements 2014

Contents

Target Energy Group Limited

Report and financial statements 2014

Officers and professional advisers

Directors

N Al Alawi
H Al Mansoori
A Al Mansoori

Company Secretary

Stronachs Secretaries Limited

Registered Office

34 Albyn Place
Aberdeen
United Kingdom
AB10 1FW

Bankers

HSBC
2 Queen's Road
Aberdeen
AB15 4ZT

Solicitors

Stronachs
34 Albyn Place
Aberdeen
AB10 1FW

Independent Auditor

Deloitte LLP
Aberdeen
United Kingdom

Target Energy Group Limited

Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activities

Target Energy Group Limited is the holding company for a group of companies whose principal activity is the provision of well placement services, primarily directional drilling, measurement while drilling, logging while drilling and surveying services to the oil and gas industry. The Group operates in Europe and Africa.

Business review, key performance indicators, current and future developments

The company's key financial performance indicators include revenue, profit/(loss) for the year and Earnings Before Interest Tax Depreciation and Amortisation (EBITDA). Revenue in the year was £10.3m, a decrease of £5.6m (35%) from 2013. The loss for the year amounted to £1.4m (2013: profit for the year of £1.6m). Net assets as at 31 December 2014 were £4.6m (2013: £6.0m). The loss of major contract in East Africa (Kenya) was the main reason behind the decrease in revenue and profit.

The Group achieved EBITDA from continuing operations of £0.4m compared to £3.7m in 2013. A comparison of EBITDA performance is summarised below:

	2014 £	2013 £
(Loss)/profit for the year	(1,371,196)	1,615,227
Tax charge	224,421	403,355
Depreciation	1,495,895	1,646,708
Finance costs	27,030	60,404
EBITDA	**376,150**	**3,725,694**

The directors expect the general level of activity to increase in forthcoming year. The Group plans to further expand its operations in East Africa in 2015 by opening subsidiaries in Kenya and Tanzania. Development work has been undertaken leading to new tools being internally developed by the Group for the purposes of their further sales to the Russian market. The directors are confident that a contract for the sale of developed tools will follow on from their successful completion.

Principal risks and uncertainties

Principal risks faced by the Group include changing oil prices, changing legislation and the undertaking of operations in various overseas and remote jurisdictions. The directors monitor changes in law and seek relevant advice for each country of operation. Regular reviews of health and safety requirements, employment law and environmental law are undertaken to ensure procedures remain appropriate and relevant.

Approved by the Board of Directors

Nabil Abdulla Yahya Al Alawi
Director
18-JUNE 2015

Helal Mubarak Eissa Al Mansoori
Director
18-JUNE 2015

Abdulla Nasser Huwaileel Al Mansoori
Director
18-JUNE 2015

Target Energy Group Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

Future developments and events after the balance sheet date

Details of current and future developments can be found in the Strategic report. There has been no event subsequent to the date of the financial statements for which the applicable financial reporting framework would require adjustment or disclosure.

Dividends

During the year no dividends were paid or proposed (2013: £nil).

Branches outside the UK

The Group has a branch registered in France.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk.

Cash flow risk

The international activities expose the Group to risks of changes in foreign currency rates. The Group seeks to mitigate this by seeking natural hedges between income and expenditure and monitoring ongoing exposure.

Credit risk

The principal financial assets are bank balances and trade debtors. The credit risk on liquid funds is limited as the counterparties are banks with assigned credit ratings from international agencies. The Group's credit risk is primarily attributable to its trade debtors. These are held in the balance sheet net of allowances for doubtful debtors. The Group has a significant concentration of debtors in a small number of customers, and monitors payment profiles on an ongoing basis.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments the Group uses a mixture of parent company funding and bank overdraft facilities.

Going concern

The Company and the Group's business activities, together with principal factors likely to affect future performance development and financial position are set out above.

The Group meets its day to day working capital requirements through bank overdraft and group funding arrangements. The Company and the Group's forecasts and projections, taking account of reasonable possible changes in trading performance, indicate that the Group should be profitable and cash generative in the coming year. After consideration of the foregoing, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors, all of whom have served throughout the year and to date of this report are listed on page 1.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' report (continued)

Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors

Nabil Abdulla Yahya Al Alawi Director 18-JUNE 2015	Helal Mubarak Eissa Al Mansoori Director 18-JUNE 2015	Abdulla Nasser Huwaileel Al Mansoori Director 18-JUNE 2015

Directors' responsibilities statement

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's and the Group's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group, and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 auditor's report to the members of Target Energy Group Limited

We have audited the financial statements of Target Energy Group Limited for the year ended 31 December 2014 which comprise the consolidated income statement, the consolidated and company statements of financial position, the consolidated cash flow statements, the consolidated and company statements of changes in equity and the related notes 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2014 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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.

Independent auditor's report to the members of Target Energy Group 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.

G Hollis

Graham Hollis, ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Aberdeen, United Kingdom

23 June 2015

Target Energy Group Limited

Consolidated income statement
For the year ended 31 December 2014

	Notes	2014 £	2013 £
Continuing operations			
Revenue	5	10,258,476	15,876,511
Cost of sales		(7,062,833)	(9,335,236)
Gross profit		3,195,643	6,541,275
Administrative expenses		(4,523,663)	(4,462,289)
Operating (loss)/profit		(1,328,020)	2,078,986
Gain on sales of property, plant and equipment	8	208,273	-
Investment revenue		2	-
Finance costs	7	(27,030)	(60,404)
(Loss)/profit before tax	8	(1,146,775)	2,018,582
Tax expense	9	(224,421)	(403,355)
(Loss)/profit for the year from continuing operations	21	(1,371,196)	1,615,227

All activities relate to continuing operations.

The Group has no other comprehensive income in the current or prior year. Accordingly, no separate statement of comprehensive income is presented.

Target Energy Group Limited

Consolidated statement of financial position
At 31 December 2014

	Notes	2014 £	2013 £
Non-current assets			
Property, plant and equipment	11	2,532,387	3,740,912
Intangible assets	12	396,754	-
Deferred tax asset	9	156,866	108,371
		3,086,007	3,849,283
Current assets			
Inventories	14	600,967	739,597
Trade and other receivables	15	2,455,629	3,016,797
Cash and bank balances	23	453,532	1,646,807
		3,510,128	5,403,201
Current liabilities	17	(1,428,485)	(2,570,834)
Net current assets		2,081,642	2,832,367
Non-current liabilities			
Obligations under finance lease	18	-	(142,804)
Non-equity shares	19	(555,599)	(555,599)
		(555,599)	(698,403)
Total liabilities			
Net assets		4,612,051	5,983,247
Equity			
Share capital	20	4,790	4,790
Share premium account	21	5,005,536	5,005,536
Translation reserve	21	1,527,959	1,527,959
Accumulated losses	21	(1,926,234)	(555,038)
Total equity	22	4,612,051	5,983,247

The financial statements of Target Energy Group Limited, registered number SC206333 were approved by the board of directors and authorised for issue on 18- JUNE 2015.

Approved by the Board of Directors

Nabil Abdulla Yahya Al Alawi	Helal Mubarak Eissa Al Mansoori	Abdulla Nasser Huwaileel Al Mansoori
Director	Director	Director
18- JUNE 2015	18- JUNE 2015	18- JUNE 2015

Company statement of financial position
At 31 December 2014

	Notes	2014 £	2013 £
Non-current assets			
Investment in subsidiaries	13	60,041	60,041
Deferred tax asset	10	32,921	32,921
		92,962	92,962
Current assets			
Trade and other receivables	15	4,675,952	4,547,164
		4,675,952	4,547,164
Current liabilities	17	(59,540)	(101,100)
Net current assets		4,616,412	4,446,064
Non-current liabilities			
Non-equity shares	19	(555,599)	(555,599)
Net assets		4,153,775	3,983,427
Equity			
Share capital	20	4,790	4,790
Share premium account	21	5,005,536	5,005,536
Translation reserve	21	1,527,959	1,527,959
Accumulated losses	21	(2,384,510)	(2,554,858)
Total equity		4,153,775	3,983,427

The financial statements of Target Energy Group Limited, registered number SC206333 were approved by the board of directors and authorised for issue on 18-JUNE 2015.

Approved by the Board of Directors

Nabil Abdulla Yahya Al Alawi	Helal Mubarak Eissa Al Mansoori	Abdulla Nasser Huwaileel Al Mansoori
Director	Director	Director
18- JUNE 2015	18-JUNE 2015	18- JUNE 2015

5

Statement of changes in equity
For the year ended 31 December 2014

Group

	Share capital £	Share premium account £	Translation reserve £	Accumulated losses £	Total £
Balance at 1 January 2013	4,790	5,005,536	1,527,959	(2,170,265)	4,368,020
Profit for the year	-	-	-	1,615,227	1,615,227
Balance at 31 December 2013	4,790	5,005,536	1,527,959	(555,038)	5,983,247
Loss for the year	-	-	-	(1,371,196)	(1,371,196)
Balance at 31 December 2014	4,790	5,005,536	1,527,959	(1,926,234)	4,612,051

Company

	Share capital £	Share premium account £	Translatio n reserve £	Accumulated losses £	Total £
Balance at 1 January 2013	4,790	5,005,536	1,527,959	(2,722,093)	3,816,192
Profit for the year	-	-	-	167,235	167,235
Balance at 31 December 2013	4,790	5,005,536	1,527,959	(2,554,858)	3,983,427
Profit for the year	-	-	-	170,348	170,348
Balance at 31 December 2014	4,790	5,005,536	1,527,959	(2,384,510)	4,153,775

Consolidated cash flow statement
Year ended 31 December 2014

	Note	2014 £	2013 £
Net cash from operating activities	23	267,817	2,002,864
Investing activities			
Proceeds on disposal of property, plant and equipment		213,611	-
Purchases of property, plant and equipment		(316,078)	(1,084,326)
Development expenditure		(396,754)	-
Loan provided to related party	28	(641,355)	-
Net cash used in investing activities		(1,140,576)	(1,084,326)
Financing activities			
Finance cost		(27,030)	(60,404)
Repayment of obligation under finance leases		(293,486)	(293,485)
Net (decrease)/increase in cash and cash equivalents		(1,193,275)	564,649
Cash and cash equivalents at beginning of year		1,646,807	1,082,158
Cash and cash equivalents at end of year		453,532	1,646,807

Notes to the financial statements
Year ended 31 December 2014

1. General information

Target Energy Group Limited (the "Company" together with its subsidiaries, the "Group") is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the Strategic Report on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

2. Adoption of new and revised Standards

At the date of authorisation of these financial statements, the following new standards and interpretations were in issue, but not yet effective, and which the Company has not early adopted:

	Effective Date
IFRS 9 'Financial Instruments'	1 January 2015
IFRS 15 'Revenue from contracts with customers'	1 January 2017
Amendments to IFRS 11 'Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016
Amendments to IAS 16 and IAS 38 'Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016
Amendments to IAS 27 'Equity Method in Separate Financial Statements'	1 January 2016
Amendments to IFRS 10/IAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016
Amendments to IFRSs – Annual Improvements to IFRSs 2012-2014 cycle	1 January 2016

The impact of adoption of these standards and interpretations in the preparation of the financial statements in future periods is currently being assessed by management.

At the date of authorisation of the financial statements the Company and the Group adopted the following standards for which the Company has assessed and determined there was no material impact on its financial results and financial position:

IFRS 10 'Consolidated Financial Statements' which supersedes IAS 27 'Consolidation and Separate Financial Statements' and SIC-12 'Consolidation – Special Purpose Entities'
IFRS 11 'Joint Arrangements'
IFRS 12 'Disclosure of Interests in Other Entities'
IFRS 13 'Fair Value Measurement'
Amendments to IAS 1 'Presentation to Items of Other Comprehensive Income'
Amendments to IAS 12 'Deferred tax: Recovery of underlying taxes'
Amendments to IAS 36 'Recoverable amount disclosures for non-financial assets'
Amendments to IFRSs – Annual Improvements to IFRSs 2009-2011 cycle

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company or the Group in future periods.

3. Accounting policies and basis of preparation

Basis of preparation

The financial statements of Target Energy Group Limited are prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared in accordance with IFRSs adopted by the European Union and therefore the Company and the Group financial statements comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

3. Accounting policies and basis of preparation (continued)

The Group financial statements consolidate the financial statements of the Company and its subsidiaries drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Strategic Report on page 2.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Revenue includes the proceeds from the sale of rental tools either lost in hole or damaged beyond repair with the associated un-depreciated cost of the asset being included within cost of sales.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Foreign currency transactions

Amounts expressed in foreign currencies are retranslated into sterling at the average market rate of exchange ruling at the close of business at the period end. Transactions during the period are translated at the average market rates prevailing at the dates of the transactions. Exchange gains or losses arising are included in the income statement.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

3. **Accounting policies and basis of preparation (continued)**

Taxation (continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and any provision for impairment. Provision for depreciation of property, plant and equipment is made in equal annual instalments over their estimated useful economic lives, over the following periods:

Plant and equipment	5 – 10 years
Vehicles	4 years
Fixtures and fittings	5 years

Intangible assets – development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

3. Accounting policies and basis of preparation (continued)

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is calculated using the weighted average method. Net realisable value is based on estimated selling price less anticipated further costs to disposal. Provision is made for obsolete, slow moving and defective stocks.

Retirement benefits

The Company and the Group makes contributions to defined contribution personal pension plans for eligible employees. Pension costs charged to the profit and loss account represent amounts payable for the period.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Group's financial assets include cash and trade and other receivables.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

3. Accounting policies and basis of preparation (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company and the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The Group's financial liabilities include trade and other payables, obligation under finance lease and non-equity shares.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical judgements in applying the Group's accounting policies are as follows:

Recoverability of internally-generated intangible asset

During 2014 £396,754 of development costs were capitalised as directly attributable costs to development projects. The tools developed under development projects have been designed to meet a specific market requirement for the technology and the Group considers that those products will reach full commercial readiness in 2015. The value of the asset relating to development cannot be fully ascertained until the development process is complete and purchase orders are received, however, management is confident that the carrying amount of the assets is recoverable in full.

4. **Critical accounting judgements and key sources of estimation uncertainty (continued)**

Recoverability of deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Deferred tax assets as of 31 December 2014 amounted to £156,866 (2013: £108,371).

Useful lives of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the consolidated income statement. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. As at December 2014 more than half of Group's assets are fully depreciated despite being entirely repaired subsequent to return to the site, as such repair does not increase the capacity or improve the quality of output.

Provision for slow moving inventories

Inventory is a significant component of current assets and is stated at the lower of cost and net realisable value. This requires management to record provision for excess slow moving and obsolete inventory. Management believes that the provisions recognised as at 31 December 2014 of £443,037 are adequate to properly value potential excess, slow moving and obsolete inventory under current conditions. Significant or unanticipated changes to those estimates and forecasts could impact the amount and timing of any additional provisions for excess, slow moving or obsolete inventory that may be required.

Provisions for bad debt

The Group's policy on provisioning for bad debts is based on the ongoing evaluation of the collectability, aged analysis of the outstanding receivables and management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of the receivables including creditworthiness, the past collection history and likelihood of any claim succeeding. If the financial conditions of the customers of the Group or likelihood of any claim initiated by Group were to deteriorate additional allowances may be required.

5. **Revenue**

	2014	2013
	£	£
Continuing operations		
Rendering of services	10,147,083	15,530,036
Lost in hole	111,393	346,475
	10,258,476	15,876,511

6. **Information regarding directors and employees**

The directors did not receive any emoluments for their services directly from the Company. Their remuneration is provided by the ultimate parent company, Al Mansoori Specialized Engineering LLC, which charges the Group for their services as part of a composite charge for management and administration services. It is not considered practical to apportion the directors' remuneration to this subsidiary on the basis of the level of service and accordingly no allocation has been made.

Notes to the financial statements
Year ended 31 December 2014

6. Information regarding directors and employees (continued)

	2014	2013
	£	£
Staff costs during the year (excluding directors):		
Wages and salaries	3,535,869	3,863,157
Social security costs	590,577	657,199
Other pension costs	129,987	133,396
	4,256,433	4,653,752

	2014	2013
Average number of personnel employed:		
Technical	49	49
Administration	28	24
	77	73

7. Finance costs

	2014	2013
	£	£
Bank overdraft and loans	9,565	40,065
Finance lease interest	17,465	20,339
	27,030	60,404

8. (Loss)/profit on ordinary activities before taxation

	2014	2013
	£	£
(Loss)/profit on ordinary activities before taxation is after charging/(crediting):		
Depreciation:		
- Owned assets	1,118,072	1,263,053
- Held under hire purchase contracts	377,834	383,655
Auditor's remuneration:		
- Audit of the Company's annual financial statements	53,700	46,350
- Audit of the Company's subsidiaries	16,000	12,000
-Tax compliance services	86,981	86,491
Rentals under operating leases:		
- Land and buildings	270,150	240,311
- Other	11,226	11,226
Gain on disposal of property, plant and equipment	(208,273)	-
Foreign exchange loss	170,499	211,058

During 2014 Group sold various PWR tools giving rise to a gain on disposal of £208,273 (2013: £nil).

Notes to the financial statements
Year ended 31 December 2014

9. Tax on (loss)/profit on ordinary activities

	2014 £	2013 £
Current taxation		
UK corporation tax on (loss)/profit of the year	-	392,573
Double tax relief	-	(392,573)
	-	-
Foreign tax suffered	272,916	415,860
Total current tax	272,916	415,860
Deferred tax		
Origination and reversal of timing differences	(48,190)	(77,033)
Effect of changes in tax rates	-	9,519
Adjustment in respect of prior years	(305)	55,009
Total deferred tax	(48,495)	(12,505)
Total tax on (loss)/profit on ordinary activities	224,421	403,355

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 21.49 % (2013: 23.3%). The actual tax charge for the current and previous year differs from the standard rate for the reasons set out in the following reconciliation:

	2014 £	2013 £
(Loss)/profit on ordinary activities before tax	(1,146,775)	2,018,582
Tax on (loss)/profit on ordinary activities at standard rate	(296,150)	469,320
Factors affecting charge for the year:		
Not deductible (income)/expenses for tax purposes	(36,126)	4,189
Capital allowances in excess of depreciation	23,235	-
Utilisation of tax losses	(36,613)	(140,156)
Foreign taxes in excess of UK tax	213,452	17,873
Movement in unrecognised deferred tax	347,013	52,129
Total actual amount of current tax	224,421	403,355

Notes to the financial statements
Year ended 31 December 2014

9. Tax on (loss)/profit on ordinary activities (continued)

The following is deferred asset recognised by the Group and movements thereon during the current and prior reporting year.

	Group Accelerated capital allowances £	Company Accelerated capital allowances £
At 1 January 2013	(95,866)	(30,291)
Credit to profit and loss	(12,505)	(2,630)
At 31 December 2013 and 1 January 2014	(108,371)	(32,921)
Credit to profit and loss	(48,495)	-
At 31 December 2014	(156,866)	(32,921)

The Group has recognised a deferred tax asset representing decelerated capital allowances. On the basis of current forecast, the directors are confident that suitable taxable profits will be available to utilise the decelerated capital allowances in the foreseeable future.

The Company has not recognised any further deferred tax assets as there is insufficient evidence of the availability of sufficient taxable profits in the foreseeable future.

At 31 December 2014, the Group had an unrecognised deferred tax asset of £1,193,511 (2013: £846,497), arising from the availability of taxable trading losses for carry forward £ 501,561 (2013: £330,803) and fixed assets £691,950 (2013: £515,694). The ability of the Group to utilise the deferred tax asset depends on future trading performance. No further deferred tax asset has been recognised on trading losses as there is insufficient evidence of the availability of sufficient taxable profits in the foreseeable future.

The Finance Act 2013, which provides for reductions in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

The effect of these tax rate reductions on the deferred tax balance has been accounted for in the period in which the tax rate reductions are substantively enacted.

10. Result of the company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Company is not presented as part of these accounts. The Company's profit for the year amounted to £170,348 (2013: a profit of £167,235).

Notes to the financial statements
Year ended 31 December 2014

11. Property, plant and equipment

Group	Plant and equipment £	Vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2014	14,156,280	27,180	239,008	14,422,468
Additions	309,050	-	7,028	316,078
Disposals	(177,108)	-	-	(177,108)
At 31 December 2014	14,288,222	27,180	246,036	14,561,438
Accumulated depreciation				
At 1 January 2014	10,494,106	8,505	178,945	10,681,556
Charge for the year	1,481,451	6,804	7,640	1,495,895
Disposals	(148,400)	-	-	(148,400)
At 31 December 2014	11,827,157	15,309	186,585	12,029,051
Net book value				
At 31 December 2014	2,461,065	11,871	59,451	2,532,387

Group	Plant and equipment £	Vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2013	13,362,092	27,180	113,460	13,502,732
Additions	958,778	-	125,548	1,084,326
Disposals	(164,590)	-	-	(164,590)
At 31 December 2014	14,156,280	27,180	239,008	14,422,468
Accumulated depreciation				
At 1 January 2013	9,033,611	1,701	91,813	9,127,125
Charge for the year	1,552,772	6,804	87,132	1,646,708
Disposals	(92,277)	-	-	(92,277)
At 31 December 2014	10,494,106	8,505	178,945	10,681,556
Net book value				
At 31 December 2014	3,662,174	18,675	60,063	3,740,912

The net book value of equipment under hire purchase agreements at 31 December 2014 was £212,135 (2013: £589,968).

Notes to the financial statements
Year ended 31 December 2014

12. Intangible assets

	Development costs £	Total £
1 January 2014	-	-
Additions	396,754	396,754
31 December 2014	396,754	396,754

13. Investments

	Shares in subsidiary undertakings £
The Company	
Cost and net book value	
At 1 January 2014 and 31 December 2014	60,041

Shares in subsidiary undertakings

Name	Country of registration and operation	Activity	Proportion of ordinary shares held
Target Well Control Limited	United Kingdom	Well placement services	100%
Target Well Control (Uganda) Limited*	Uganda	Well placement services	100%

14. Inventories

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Replacement parts	600,967	739,597	-	-

The cost of inventories recognised as expenses during the year in respect of continuing operations was £761,698 (2013: £885,629).

The cost of inventories recognised as an expense includes £181,556 (2013: £261,481) in respect of allowance for slow-moving inventory.

Notes to the financial statements
Year ended 31 December 2014

15. Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts receivable for the sale of goods	1,054,807	2,075,826	-	-
Amounts owed by immediate parent company (note 28)	28,408	-	-	-
Amounts owed by other related parties (note 28)	646,995	-	-	-
Amounts owed to Group undertakings	-	-	4,675,952	4,547,164
Corporation tax recoverable	232,939	232,939	-	-
Prepayments and accrued income	430,774	520,800	-	-
Other debtors	61,705	187,232	-	-
	2,455,629	3,016,797	4,675,952	4,547,164

Amounts receivable for the sale of goods are shown net of the following bad debt provisions:

	Group	
	2014	2013
	£	£
Opening balance	50,682	48,880
Additions	310,255	1,802
	360,937	50,682

16. Obligations under finance leases

Group	Minimum lease payments	
	2014	2013
	£	£
Amounts payable under finance leases:		
Within one year	152,873	353,588
In the second to fifth years inclusive	-	109,084
	152,873	462,672
Less: future finance charges	(10,069)	(26,384)
Present value of lease obligations	142,804	436,288

Notes to the financial statements
Year ended 31 December 2014

16. Obligations under finance leases

	Present value of minimum lease payments 2014	2013
	£	£
Amounts payable under finance leases:		
Within one year (note 17)	142,804	293,484
In the second to fifth years inclusive (note 18)	-	142,804
Present value of lease obligations	142,804	436,288

The average lease term is 3 years. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in sterling.

The fair value of the Group's lease obligations is approximately equal to their carrying amount.

17. Creditors: amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	427,939	978,187	-	-
Amounts owed to other related parties (note 28)	10,518	32,153	-	-
Other taxation and social security	213,937	322,608	-	-
Accruals and deferred income	633,287	944,402	59,540	101,100
Obligations under hire purchase contracts (note 16)	142,804	293,484	-	-
	1,428,485	2,570,834	59,540	101,100

The bank overdraft is secured by a floating charge over the assets of the Company and Target Well Control Limited.

18. Creditors: amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Obligations under hire purchase contracts	-	142,804	-	-

Obligations under hire purchase contracts

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Between one and two years	-	142,804	-	-

19. Non-equity shares

	No.	£
Called up, allotted and fully paid		
Ordinary Shares of £1 each	190,000	190,000
'A' Ordinary Shares of 10p each	86,000	86,000
	276,000	276,000
Share premium	279,599	279,599
	555,599	555,599

Dividends

The profits available for distribution shall be applied as follows:

Firstly, in distributing to the holders of 'A' ordinary shares a participating dividend calculated on the basis set out in the Articles of Association.

Secondly, a compensatory dividend to the ordinary shareholders, calculated on the basis set out in the Articles of Association.

Capital

On winding up, the shares rank as follows; first in paying the holders of the 'A' ordinary shares 10p per share, together with any arrears of dividends, second in paying the holders of ordinary shares £1 per share together with any arrears of dividends.

Any balance remaining shall be distributed among the holders of the 'A' ordinary shares and ordinary shares pari passu as if one class of share.

Voting

The holders of the 'A' ordinary shares and ordinary shares are entitled to one vote per share.

20. Called up share capital

	No.	£
Called up, allotted and fully paid		
'B' Ordinary Shares of £0.001 each	4,790,484	4,790

'B' ordinary shares do not carry any rights to voting or participate in any payment of dividends.

21. Reserves

	Translation reserve £	Share premium account £	Accumulated losses £
Group			
At 1 January 2014	1,527,959	5,005,536	(555,038)
Loss for the year	-	-	(1,371,196)
At 31 December 2014	1,527,959	5,005,536	(1,926,234)

Notes to the financial statements
Year ended 31 December 2014

21. Reserves (continued)

	Translation reserve £	Share premium account £	Accumulated losses £
Group			
At 1 January 2013	1,527,959	5,005,536	(2,170,265)
Profit for the year	-	-	1,615,227
At 31 December 2013	1,527,959	5,005,536	(555,038)

	Translation reserve £	Share premium account £	Accumulated losses £
Company	1,527,959	5,005,536	(2,554,858)
At 1 January 2014			
Profit for the year	-	-	170,348
At 31 December 2014	1,527,959	5,005,536	(2,384,510)

	Translation reserve £	Share premium account £	Accumulated losses £
Company			
At 1 January 2013	1,527,959	5,005,536	(2,722,093)
Profit for the year	-	-	167,235
At 31 December 2013	1,527,959	5,005,536	(2,554,858)

22. Reconciliation of movements in consolidated shareholders' funds

	2014 £	2013 £
(Loss)/profit for the financial year and net (decrease)/increase in shareholders' funds	(1,371,196)	1,615,227
Opening shareholders' funds	5,983,247	4,368,020
Closing shareholders' funds	4,612,051	5,983,247

Notes to the financial statements
Year ended 31 December 2014

23. Notes to the cash flow statement

Group	2014 £	2013 £
(Loss)/profit for the year	(1,371,196)	1,615,227
Adjustments for:		
Finance costs (net)	27,030	60,404
Provision for bad debts	310,255	1,802
Provision for slow moving inventory	181,556	261,481
Income tax expense	224,421	403,355
Depreciation of property, plant and equipment	1,495,895	1,646,708
Net book value of lost in hold assets sold	23,372	72,313
Gain on disposal of property, plant and equipment	(208,273)	-
	683,060	4,061,290
Operating cash flows before movements in working capital:		
Increase in inventories	(42,926)	(159,364)
Decrease/(increase) in receivables	619,352	(1,100,221)
Decrease in payables	(991,669)	(310,776)
Cash generated by operations	267,817	2,490,929
Income taxes paid	-	(488,065)
Net cash from operating activities	267,817	2,002,864

Cash and cash equivalents – Group

	2014 £	2013 £
Cash and bank balances	453,532	1,646,807
	453,532	1,646,807

Cash and cash equivalents of the Group comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

Cash and cash equivalents – Company

The Company does not have any cash and cash equivalents and settles all its transactions through subsidiary undertakings.

24. Retirement benefits

The Group makes contributions to personal pension plans for eligible employees. The pension cost charge represents contributions payable by the Group to these plans and amounted to £129,987 (2013: £133,396). No contributions were outstanding at 31 December 2014 (2013: £nil).

25. Operating lease arrangements

The Group as lessee

	2014 £	2013 £
Lease payments under operating leases recognised as an expense in the year	281,376	251,536

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term of 8 years and rentals are fixed for an average of 3 years with an option to extend for a further 3 years at the prevailing market rate.

	2014 £	2013 £
Within one year	244,864	232,592
In the second to fifth years inclusive	380,581	549,908
After five years	32,865	63,253
	658,310	845,753

26. Contingent liabilities

The Group is party to an arrangement with the Group's bankers whereby cross-guarantees have been provided between Target Energy Group Limited and its subsidiary, Target Well Control Limited. Under this arrangement, Target Well Control Limited has been provided a guarantee by Al Mansoori Specialized Engineering LLC to secure all liabilities, up to £3,600,000. The Company has a contingent liability under this arrangement of £nil (2013: £nil).

During 2014 the Group provided unsecured guarantee to third party of $340,000 (equivalent of £218,061).

27. Financial instruments

The Group's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk.

Cash flow risk

The international activities expose the Group to risks of changes in foreign currency rates. The Group seeks to mitigate this by seeking natural hedges between income and expenditure and monitoring ongoing exposure.

At 31 December, the Group's cash holdings or overdraft are denominated in several currencies as presented below:

	2014 £	2013 £
GBP	227,847	134,860
USD	77,719	1,288,977
EUR	127,768	204,860
UGX	20,198	18,110
Total cash and cash equivalents	453,532	1,646,807

Notes to the financial statements
Year ended 31 December 2014

27. Financial instruments (continued)

The carrying amounts of the Group's trade receivables were denominated in the following currencies:

	2014 £	2013 £
GBP	360,701	45,070
USD	58,374	921,073
EUR	635,732	1,109,683
Total cash and cash equivalents	1,054,807	2,075,826

If there were a 10 per cent increase (or decrease) in Sterling against other foreign currencies, there would be a charge (or credit) of £266,749 to the profit and loss. 10 per cent represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10 per cent change in foreign currency rates.

Credit risk

The principal financial assets are bank balances and trade debtors. The credit risk on liquid funds is limited as the counterparties are banks with assigned credit ratings from international agencies. The Group's credit risk is primarily attributable to its trade debtors. These are held in the balance sheet net of allowances for doubtful debtors. The Group has a significant concentration of debtors in a small number of customers, and monitors payment profiles on an ongoing basis.

The table below shows the concentration of trade receivables counterparty risk at the balance sheet date by ranking customers by size of receivable balance at the balance sheet date.

	2014 £	2013 £
Total receivables from customers ranked 1-3	169,436	1,654,291
Total receivables from customers ranked 4-6	407,616	305,088
Total receivables from other customers	477,755	116,447
	1,054,807	2,075,826

Ageing of trade receivables is as follows:

	2014 £	2013 £
Current	656,358	763,683
30-59 days	11,907	760,679
60-89 days	42,046	551,464
90 + days	344,496	-
	1,054,807	2,075,826

Notes to the financial statements
Year ended 31 December 2014

27. Financial instruments (continued)

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments the Group uses a mixture of parent company funding and bank overdraft facilities.

At 31 December 2014 the Group's financial liabilities of £1,204,029 (2013: £2,248,226) were due to be settled on a net basis within less than one year of the balance sheet date. The amounts disclosed are the contractual undiscounted cash flows.

Capital structure

The objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure the Group may, amongst other things, adjust the amount of dividends paid to the shareholder, issue new shares, repurchase existing shares, or sell assets to reduce debt.

Capital for the Group is total shareholder's equity and is detailed in the Group's Statement of Changes in Equity on page 12.

28. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates are disclosed below.

Trading transactions:

During the year, Group companies entered into the following transactions with related parties who are not members of the Group:

	Sale of goods		Purchase of goods	
	2014	2013	2014	2013
	£	£	£	£
Al Mansoori Directional Drilling Services (immediate parent company)	14,965	26,839	67,255	29,544
Al Mansoori Petroleum Services	-	-	246,060	128,275
Al Mansoori Specialised Engineering	-	-	2,403	55,343
Al Mansoori Inspection Services	-	-	31,218	21,104
	14,965	26,839	346,935	234,266

28. Related party transactions (continued)

The following amounts were outstanding at the balance sheet date:

	Amounts due from related parties		Amounts due to related parties	
	2014	2013	2014	2013
	£	£	£	£
Al Mansoori Directional Drilling Services (immediate parent company)	28,408	-	-	-
Al Mansoori Petroleum Services	645,713	-	-	27,910
Al Mansoori Specialised Engineering	1,282	-	-	-
Al Mansoori Inspection Services	-	-	10,518	4,243
	675,403	-	10,518	32,153

The group advanced an amount of $1,000,000 (equivalent of £641,355) to a related party, Al Mansoori Petroleum Services, in December 2014. The loan is repayable in full on demand.

Remuneration of key management personnel

The remuneration of key management personnel during the year as follows:

	2014	2013
	£	£
Short-term benefits	236,342	240,508
Pension costs	13,192	13,447
	249,534	253,995

29. Ultimate parent company

The ultimate parent company is Al Mansoori Specialized Engineering LLC, a company registered in United Arab Emirates. This company is controlled by the three directors. This company heads the largest and smallest group that prepares consolidated financial statements, including this company. Copies of the consolidated financial statements of the ultimate parent company may be requested from the registered office of Target Energy Group Limited at 34 Albyn Place, Aberdeen, United Kingdom.

The immediate parent company and the company which heads the smallest group of undertakings for which financial statements are drawn up is Al Mansoori Directional Drilling Services LLC, a company incorporated in United Arab Emirates. Copies of these financial statements may be obtained from the registered office of Target Energy Group Limited at 34 Albyn Place, Aberdeen, United Kingdom.