

STABLE LEASING LIMITED
(Company Number SC315446)

DIRECTOR'S REPORT AND ACCOUNTS

31 DECEMBER 2007



Anderson Anderson & Brown LLP
Chartered Accountants

STABLE LEASING LIMITED
DIRECTOR'S REPORT

A²+B[®]

Director R Coffey (appointed 30 January 2007)

Secretaries CLP Secretaries (appointed 26 January 2007)

Registered office Commercial House, 2 Rubislaw Terrace, Aberdeen, AB10 1XE

The director submits his report and the audited accounts of the company for the period ended 31 December 2007. The company was incorporated on 26 January 2007 and commenced trading on 1 July 2007.

RESULTS AND DIVIDENDS

The profit for the period, amounting to £45,893 has been dealt with as shown in the profit and loss account. The director does not propose the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company during the period was the leasing of equipment to the oil and gas market.


The director is satisfied with the results for the period. Further disclosure in relation to the group as a whole is provided within the director's report of the group.

PROVISION OF INFORMATION TO AUDITORS

As far as the director is aware, there is no relevant audit information of which the company's auditors are unaware and I have taken all the steps that I ought to have taken as director in order to make myself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

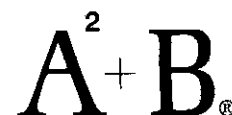
Anderson Anderson & Brown were appointed the company's first auditors. Anderson Anderson & Brown LLP have expressed their willingness to continue in office and a resolution proposing their re appointment will be submitted at the annual general meeting.


Director – R Coffey

16/6/08

Date

STABLE LEASING LIMITED
STATEMENT OF DIRECTOR'S RESPONSIBILITIES

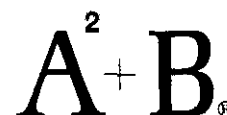


Company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the director is required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether or not applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts, and,
- (d) prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable him to ensure that the accounts comply with the Companies Act 1985. He is 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 SHAREHOLDER OF
STABLE LEASING LIMITED**



We have audited the accounts of Stable Leasing Limited for the period ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These accounts have been prepared under the historical cost convention and in accordance with 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 on page 2 the company's director is responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts 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 or not the accounts give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and the information given in the director's report is consistent with the financial statements. We also 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 transactions with the company is not disclosed.

Basis of 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 accounts. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion

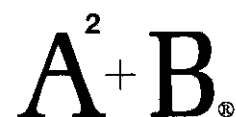
- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the period then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the director's report is consistent with the accounts.

Anderson Anderson & Brown LLP

Anderson Anderson & Brown LLP
Chartered Accountants
Registered Auditors
Aberdeen

16th June 2008

STABLE LEASING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD FROM 26 JANUARY 2007 TO 31 DECEMBER 2007



	Note	Period from 26 January 2007 to 31 December 2007 £
TURNOVER		702,290
Operating costs		<u>498,302</u>
OPERATING PROFIT		203,988
Interest receivable and similar income		472
Interest payable and similar charges	4	<u>(140,298)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		64,162
Taxation	5	<u>18,269</u>
PROFIT FOR THE PERIOD		<u><u>£ 45,893</u></u>

The company has made no gains or losses other than as reported above

Movements on reserves are as set out in Note 13

STABLE LEASING LIMITED
BALANCE SHEET – 31 DECEMBER 2007

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	Note	2007 £
FIXED ASSETS		
Tangible assets	6	<u>3,707,990</u>
CURRENT ASSETS		
Debtors	7	<u>2,669</u>
CREDITORS <i>amounts falling due within one year</i>	8	<u>1,462,839</u>
NET CURRENT LIABILITIES		<u>(1,460,170)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,247,820
CREDITORS <i>amounts falling due after more than one year</i>	9	2,185,807
PROVISION FOR LIABILITIES AND CHARGES	10	<u>16,119</u>
		<u>£ 45,894</u>
CAPITAL AND RESERVES		
Called up share capital	12	1
Profit and loss account	13	<u>45,893</u>
SHAREHOLDER'S FUNDS	13	<u>£ 45,894</u>

R *[Signature]*
Director – R Coffey

16/6/08

Date

1 ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

(b) *Depreciation*

The cost of fixed assets is written off on a straight line basis over their expected useful lives as follows

Plant and machinery	3 – 5 years
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(c) *Taxation*

Current tax, including UK corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have been originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in the period which are different from those recognised in the accounts. Deferred tax has been measured on a non discounted basis

(d) *Hire purchase commitments*

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease

(e) *Debt*

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the debt issue costs amortised over the period of the loan in each accounting period and reduced by payments made in the period

(f) *Turnover*

Turnover represents net invoiced sales of goods, excluding value added tax

STABLE LEASING LIMITED

NOTES ON THE ACCOUNTS – 31 DECEMBER 2007

A²+B[®]**2 OPERATING PROFIT** *is stated after charging*Period from
26 January
2007 to
31 December
2007

Depreciation of assets held under hire purchase contracts

£ 459,660**3 DIRECTOR'S EMOLUMENTS**

The director received no remuneration in the period

4 INTEREST PAYABLE AND SIMILAR CHARGESPeriod from
26 January
2007 to
31 December
2007
£

Bank term loan and overdraft interest

26,043

HP interest

102,172

Amortisation of loan finance costs

12,083£ 140,298**5 TAXATION** *charge based on the profit for the period comprises*Period from
26 January
2007 to
31 December
2007
£

UK corporation tax payable

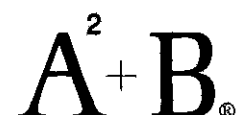
2,150

Transfer to deferred taxation

16,119£ 18,269

The tax charge for the period differs from the amount which would be anticipated by applying the company's tax rate of 20% to its pre tax profit as a result of accelerated capital allowances being provided at 28%

STABLE LEASING LIMITED
NOTES ON THE ACCOUNTS – 31 DECEMBER 2007



6 TANGIBLE FIXED ASSETS

	Plant & machinery £
COST	
Additions and at 31 December 2007	<u>4,167,650</u>
DEPRECIATION	
Charge for period and at 31 December 2007	<u>459,660</u>
Net book amount at 31 December 2007	<u><u>£ 3,707,990</u></u>

The net book value above includes an amount of £3,644,440 in respect of assets held under hire purchase contracts

7 DEBTORS

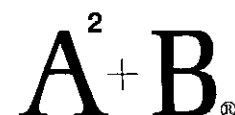
	2007
Prepayments and accrued income	<u><u>£ 2,669</u></u>

8 CREDITORS *amounts falling due within one year*

	2007 £
Bank overdrafts	111,885
Trade creditors	35,000
Other taxes and social security	19,443
Amounts owed to group undertakings	199,912
HP creditor (Note 14)	1,094,449
Corporation tax	2,150
	<u><u>£ 1,462,839</u></u>

STABLE LEASING LIMITED

NOTES ON THE ACCOUNTS – 31 DECEMBER 2007

9 CREDITORS *amounts falling due after more than one year*

	2007 £
HP creditor (Note 14)	1,910,724
Bank term loan	275,083
	<u>£ 2,185,807</u>

The bank loan is repayable in full on 31 July 2010. The interest rate is 2.5% per annum over The Royal Bank of Scotland's base rate. The balance above can be analysed as follows:

	2007 £
Payable in two to five years	350,000
Less unamortised finance costs	(74,917)
	<u>£ 275,083</u>

10 PROVISION FOR LIABILITIES AND CHARGES

The provision represents the maximum potential liability to deferred tax as follows:

Transferred during the period and at 31 December 2007	<u>£ 16,119</u>
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11 SECURITY

The bank borrowings are secured by a bond and floating charge over the assets of the company. A cross guarantee exists between the company and certain group companies. As at 31 December 2007 the potential liability under this arrangement amounted to £3,486,051.

STABLE LEASING LIMITED

NOTES ON THE ACCOUNTS – 31 DECEMBER 2007

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12 CALLED UP SHARE CAPITAL

2007

Authorised:

10,000 ordinary shares of £1 each

£ 10,000

Allotted, called up and fully paid:

1 ordinary share of £1 each

£ 1

During the period the company issued 1 ordinary share of £1 at par value

**13 RECONCILIATION OF SHAREHOLDERS' FUNDS
AND MOVEMENTS ON RESERVES**

	Share capital £	Profit & loss account £	Total £
Shares issued	1		1
Profit for the period		45,893	45,893
At 31 December 2007	<u>£ 1</u>	<u>£ 45,893</u>	<u>£ 45,894</u>

14 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

2007
£

Amounts payable

Within one year

1,094,449

Between one and five years

1,910,724

£ 3,005,173

This can be analysed as follows

Current obligations (Note 8)

1,094,449

Non current obligations (Note 9)

1,910,724

£ 3,005,173

15 RELATED PARTY TRANSACTIONS

Control

Throughout the period the company was controlled by the director

Transactions

The directors have taken advantage of the exemptions conferred by Financial Reporting Standard 8 “Related Party Transactions”, paragraph 3(c) and not disclosed transactions with fellow group companies

16 ULTIMATE PARENT COMPANY

The company’s ultimate parent company is Stable Holdings Limited, a company registered in Scotland