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Registered number: SC350040

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**SENERGY SURVEY &
GEOENGINEERING LIMITED**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2011

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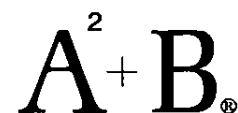
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COMPANIES HOUSE

SENERGY SURVEY & GEOENGINEERING LIMITED

COMPANY INFORMATION



DIRECTORS

N M Campbell
D Wallwork
J G McCallum

COMPANY SECRETARY

N M Campbell

COMPANY NUMBER

SC350040

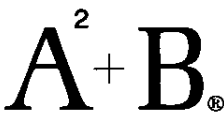
REGISTERED OFFICE

15 Bon Accord Crescent
Aberdeen
AB11 6DE

AUDITORS

Anderson Anderson & Brown LLP
9 Queens Road
Aberdeen
AB15 4YL

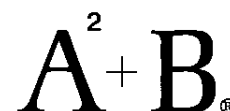
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SENERGY SURVEY & GEOENGINEERING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2011



The directors present their report and the financial statements for the year ended 31 May 2011.

PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of services to oil and gas extraction companies. The company is the holding company for subsidiaries involved primarily in survey & geoengineering consultancy.

BUSINESS REVIEW

The company has had a successful trading period in its activities as a holding company.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £102,122 (2010 - £42,145).

No dividends were paid during the period (2010 - £nil).

DIRECTORS

The directors who served during the year were:

N M Campbell
D Wallwork
J G McCallum

PRINCIPAL RISKS AND UNCERTAINTIES

As the business grows it faces inherent risk in terms of people recruitment, retention and in the contractual terms and conditions it negotiates with customers. This risk is successfully managed through appropriate corporate governance, QHSE control and assessment procedures and staff development.

GOING CONCERN

At 31 May 2011 the company has net current liabilities of £8,820,866. Included within these liabilities are amounts due to the immediate parent company and fellow subsidiaries of £7,267,956. The financial statements are prepared on a going concern basis, which assumes that the company will continue to meet its liabilities as they fall due. The ultimate parent company and its subsidiaries have confirmed they shall not seek repayment of amounts due to the detriment of other creditors. Furthermore the ultimate parent company and its subsidiaries have confirmed they shall continue to support the company to facilitate its ability to continue trading as a going concern for the foreseeable future.

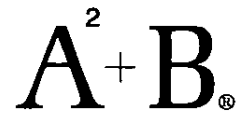
PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

SENERGY SURVEY & GEOENGINEERING LIMITED

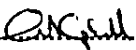
**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2011**



AUDITORS

The auditors, Anderson Anderson & Brown LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

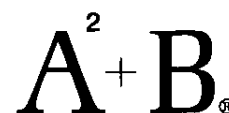
This report was approved by the board and signed on its behalf.

.....

N M Campbell
Director

Date: 26th Feb 2012

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MAY 2011**



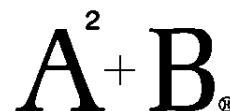
The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 SHAREHOLDERS OF
SENERGY SURVEY & GEOENGINEERING LIMITED**



We have audited the financial statements of Senergy Survey & Geoengineering Limited for the year ended 31 May 2011, set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 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 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 Directors' report to identify material inconsistencies with the audited financial statements. 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 company's affairs as at 31 May 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SENERGY SURVEY & GEOENGINEERING LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SENERGY SURVEY & GEOENGINEERING LIMITED**

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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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Anderson Anderson & Brown LLP

Derek Mair (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown LLP

Statutory Auditor

9 Queens Road

Aberdeen

AB15 4YL

Date: *28 February 2012*

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2011**

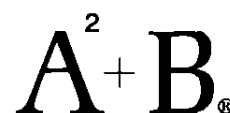
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	Note	2011 £	2010 £
TURNOVER	1,2	873,114	457,396
Cost of sales		<u>(492,264)</u>	<u>(190,018)</u>
GROSS PROFIT		380,850	267,378
Administrative expenses		<u>(17,402)</u>	<u>(21,544)</u>
OPERATING PROFIT		363,448	245,834
Interest payable and similar charges	5	<u>(223,353)</u>	<u>(188,356)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		140,095	57,478
Tax on profit on ordinary activities	7	<u>(37,973)</u>	<u>(15,333)</u>
PROFIT FOR THE FINANCIAL YEAR	14	<u><u>102,122</u></u>	<u><u>42,145</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account.

The notes on pages 8 to 13 form part of these financial statements.



**BALANCE SHEET
AS AT 31 MAY 2011**

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	8		6,043		-
Investments	9		11,011,473		11,011,473
			<u>11,017,516</u>		<u>11,011,473</u>
CURRENT ASSETS					
Debtors	10	612,446		523,635	
CREDITORS: amounts falling due within one year	11	<u>(9,433,312)</u>		<u>(7,652,675)</u>	
NET CURRENT LIABILITIES			<u>(8,820,866)</u>		<u>(7,129,040)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,196,650</u>		<u>3,882,433</u>
CREDITORS: amounts falling due after more than one year	12		<u>(2,050,209)</u>		<u>(3,838,114)</u>
NET ASSETS			<u><u>146,441</u></u>		<u><u>44,319</u></u>
CAPITAL AND RESERVES					
Called up share capital	13		1		1
Profit and loss account	14		<u>146,440</u>		<u>44,318</u>
SHAREHOLDERS' FUNDS	15		<u><u>146,441</u></u>		<u><u>44,319</u></u>

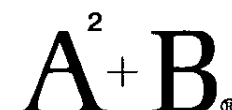
The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
N M Campbell
Director

Date: 28th Feb 2012

The notes on pages 8 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011



1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	5 years straight line
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1.4 Investments

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

1.5 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.6 Taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2. TURNOVER

All turnover arose within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011

3. AUDITORS' REMUNERATION

	2011 £	2010 £
Fees payable to the company's auditor for the audit of the company's annual accounts	5,000	4,900

4. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2010 - £NIL).

5. INTEREST PAYABLE

	2011 £	2010 £
On bank loans and swaps	223,353	188,356

6. INTEREST RATE SWAP

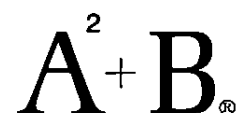
During the year the company participated in an interest rate swap of £2.5m bearing interest of 3.1% per annum payable on a quarterly basis.

7. TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	-	15,333
Adjustments in respect of prior periods	236	-
	<u>236</u>	<u>15,333</u>
Group taxation relief	38,052	-
	<u>38,288</u>	<u>15,333</u>
Group relief in respect of prior periods	(315)	-
	<u>37,973</u>	<u>15,333</u>
Tax credit on loss on ordinary activities		

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 27.67% (2010 - 21%).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011

8. TANGIBLE FIXED ASSETS

	Computer equipment £
Cost	
Additions	7,110
At 31 May 2011	<u>7,110</u>
Depreciation	
At 1 June 2010	-
Charge for the year	1,067
At 31 May 2011	<u>1,067</u>
Net book value	
At 31 May 2011	<u><u>6,043</u></u>

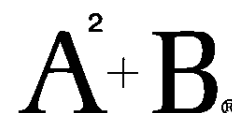
9. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2010 and 31 May 2011	<u>11,011,473</u>
Net book value	
At 31 May 2011	<u><u>11,011,473</u></u>
At 31 May 2010	<u><u>11,011,473</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Floyd and Associates Holdings Limited	Ordinary	100 %
Floyd and Associates Limited	Ordinary	100 %
ISIS Energy Limited	Ordinary	100 %

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011**9. FIXED ASSET INVESTMENTS (continued)**

The aggregate of the share capital and reserves as at 31 May 2011 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

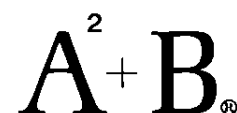
Name	Aggregate of share capital and reserves £	Profit/(loss) £
Floyd and Associates Holdings Limited	2,988,708	364,723
Floyd and Associates Limited	1,835,728	647,864
ISIS Energy Limited	1,451,820	17,249
	<u> </u>	<u> </u>

10. DEBTORS

	2011 £	2010 £
Trade debtors	146,049	448,720
Amounts owed by group undertakings	348,398	-
Other debtors	2,520	-
Prepayments and accrued income	115,479	74,915
	<u> </u>	<u> </u>
	<u>612,446</u>	<u>523,635</u>

11. CREDITORS:
Amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	1,788,915	1,485,338
Trade creditors	1,606	47,083
Amounts owed to group undertakings	7,618,874	6,115,736
Corporation tax	2,520	2,862
Social security and other taxes	16,397	-
Accruals and deferred income	5,000	1,656
	<u> </u>	<u> </u>
	<u>9,433,312</u>	<u>7,652,675</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011**12. CREDITORS:**
Amounts falling due after more than one year

	2011 £	2010 £
Bank loans	<u>2,050,209</u>	<u>3,838,114</u>

The bank loan consists of:

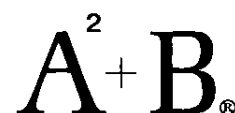
1. Revolving Credit Facility 'A' is repayable in 14 quarterly installments, commencing 28 February 2009. Loan interest is variable at a margin above LIBOR.
2. Revolving Credit Facility 'B' is repayable in 12 quarterly installments, commencing 31 August 2010. Loan interest is variable at a margin above LIBOR.
3. Revolving Credit Facility 'C' is repayable in 18 quarterly installments, commencing 28 February 2009. Loan interest is variable at a margin above LIBOR.

13. SHARE CAPITAL

	2011 £	2010 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

14. RESERVES

	Profit and loss account £
At 1 June 2010	44,318
Profit for the year	<u>102,122</u>
At 31 May 2011	<u>146,440</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	44,319	2,174
Profit for the year	102,122	42,145
	<hr/>	<hr/>
Closing shareholders' funds	146,441	44,319
	<hr/>	<hr/>

16. CONTINGENT LIABILITIES

The company has provided a cross guarantee to the bank in respect of the company's ultimate parent company Senergy Group Limited. At 31 May 2011 the total contingent liability in respect of this guarantee was £13,080,359 (2010 - £12,107,644).

17. RELATED PARTY TRANSACTIONS

Control

Throughout the year the company was controlled by the directors.

Transactions

As the company is a wholly owned subsidiary of Senergy Group Limited, it has taken advantage of the exception given by paragraph 3 of Financial Reporting Standard Number 8 which allows exemption from disclosure of related party transactions with other group companies.

18. ULTIMATE PARENT COMPANY

The immediate parent company is Senergy Holdings Limited, a company registered in Scotland. The company regards Senergy Group Limited, a company registered in Scotland, as the ultimate parent company.

The largest group in which the results of the company are consolidated is that headed by Senergy Group Limited. Copies of the financial statements of Senergy Group Limited can be obtained from it's registered office at 15 Bon Accord Crescent, Aberdeen.