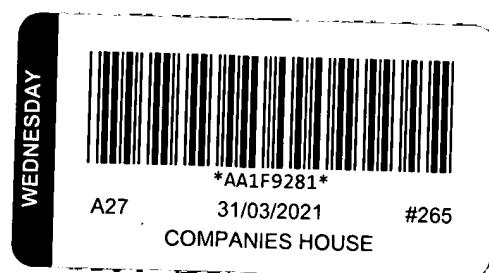


Registered number: SC378598

NORTH EAST RIG-OUT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



NORTH EAST RIG-OUT LIMITED

COMPANY INFORMATION

Directors P C Williamson (resigned 31 December 2019)
K M Ehrlich (resigned 28 August 2020)
T D Rossi
M Ferrucci (appointed 28 August 2020)

Registered number SC378598

Registered office The Ca'D'Oro
45 Gordon Street
Glasgow
Scotland
G1 3PE

Independent auditor Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
2 Glass Wharf
Bristol
BS2 0EL

NORTH EAST RIG-OUT LIMITED

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NORTH EAST RIG-OUT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors

The directors who served during the year were:

P C Williamson (resigned 31 December 2019)
K M Ehrlich (resigned 28 August 2020)
T D Rossi

Directors' responsibilities statement

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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

In December 2020 the ultimate controlling party, VF Corporation, decided that North East Rig-out Limited will cease operations on 31 March 2021. As a result, the financial statements are prepared on the break-up basis.

NORTH EAST RIG-OUT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 30 March 2021 and signed on its behalf.

Tom Rossi

T D Rossi
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH EAST RIG-OUT LIMITED

Opinion

We have audited the financial statements of North East Rig-Out Limited (the 'company') for the year ended 31 March 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH EAST RIG-OUT LIMITED
(CONTINUED)**

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance.' However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Emphasis of matter - Basis of preparation of the financial statements

We draw attention to Note 2.1 to the financial statements, which describes the basis of preparation of the financial statements. As described in that note, in December 2020 the ultimate controlling party, VF Corporation, decided that North East Rig-out Limited will cease operations on 31 March 2021 and accordingly the directors have prepared the financial statements on a break-up basis. Our opinion is not modified in this respect of this matter.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH EAST RIG-OUT LIMITED
(CONTINUED)**

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH EAST RIG-OUT LIMITED
(CONTINUED)**

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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.



Tim Lincoln BA ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Bristol

30 March 2021

NORTH EAST RIG-OUT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	12 months ended 31 March 2020 £	15 months ended 31 March 2019 £
Turnover		-	1,886,235
Cost of sales		-	(1,473,213)
Gross profit		-	413,022
Administrative expenses		-	(808,804)
Exceptional items	6	-	3,550,464
Other operating income/(expenditure)		33,415	(33,573)
Operating profit		33,415	3,121,109
Tax on profit	5	-	(50,000)
Profit for the financial year/period		33,415	3,071,109

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£Nil).

The notes on pages 10 to 17 form part of these financial statements.

NORTH EAST RIG-OUT LIMITED
REGISTERED NUMBER: SC378598

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Current assets			
Debtors: amounts falling due within one year	7	-	107,606
Cash at bank and in hand	8	348,398	218,828
		<u>348,398</u>	<u>326,434</u>
Creditors: amounts falling due within one year	9	(141,349)	(152,800)
Net current assets		<u>207,049</u>	<u>173,634</u>
Total assets less current liabilities		<u>207,049</u>	<u>173,634</u>
Net assets		<u><u>207,049</u></u>	<u><u>173,634</u></u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	207,048	173,633
		<u>207,049</u>	<u>173,634</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 March 2021.

Tom Rossi

T D Rossi
 Director

The notes on pages 10 to 17 form part of these financial statements.

NORTH EAST RIG-OUT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	1	(2,897,476)	(2,897,475)
Profit for the period	-	3,071,109	3,071,109
At 1 April 2019	1	173,633	173,634
Profit for the year	-	33,415	33,415
At 31 March 2020	1	207,048	207,049

The notes on pages 10 to 17 form part of these financial statements.

NORTH EAST RIG-OUT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. General information

North East Rig-Out Limited is a private company limited by shares and incorporated in Scotland. Registered number SC378598. Its registered head office is located at The Ca'D'Oro, 45 Gordon Street, Glasgow, Scotland, G1 3PE.

The financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

2. Accounting policies**2.1 Basis of preparation of financial statements**

In December 2020 the ultimate controlling party, VF Corporation, decided that North East Rig-out Limited will cease operations on 31 March 2021. As a result, the financial statements are prepared on the break-up basis.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied.

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Exemptions for qualifying entities under FRS 102

The company has taken advantage of the exemption, under FRS 102 Section 1A, from preparing a statement of cash flows, on the basis that it qualifies as a small entity.

NORTH EAST RIG-OUT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.4 Taxation**

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

2.5 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

NORTH EAST RIG-OUT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.9 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Basis of preparation of the financial statements:

As per accounting policy 2.1 management is of the opinion that the preparation of the financial statements on a break-up basis is appropriate.

Recoverability of intra-group balances:

Management believes that intra-group balances are recoverable in full and therefore that no provision is required in the current year.

NORTH EAST RIG-OUT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	12 months ended 31 March 2020 No.	<i>15 months ended 31 March 2019 No.</i>
Office and management	-	5
Manufacturing	-	5
Selling and distribution	-	3
	<u>0</u>	<u>13</u>

5. Taxation

	12 months ended 31 March 2020 £	<i>15 months ended 31 March 2019 £</i>
Corporation tax		
Current tax on profit for the year/period	-	50,000
Total current tax	<u>-</u>	<u>50,000</u>

NORTH EAST RIG-OUT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (*2019 - lower than*) the standard rate of corporation tax in the UK of 19% (*2019: 19%*). The differences are explained below:

	12 months ended 31 March 2020 £	<i>15 months ended 31 March 2019 £</i>
Profit on ordinary activities before tax	33,415	<i>3,121,109</i>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (<i>2019 - 19%</i>)	6,356	<i>593,011</i>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	<i>3,381</i>
Income not deductible for tax purposes	-	<i>(314,117)</i>
Other items	(6,356)	<i>-</i>
Adjust deferred balance	-	<i>(24,450)</i>
Deferred tax not recognised	-	<i>(207,825)</i>
Total tax charge for the year/period	-	<i>50,000</i>

NORTH EAST RIG-OUT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Exceptional items

	12 months ended 31 March 2020 £	<i>15 months ended 31 March 2019 £</i>
Loss on sale of trade and assets	-	(326,518)
Gain on intra-group loan write off	-	3,876,982
	<u>-</u>	<u>(3,550,464)</u>

On 31 January 2019 the trade and assets of the company were sold to NERO Aberdeen Limited for consideration £10,000. The loss on disposal was £326,518.

As a result of the disposal intra-group liabilities of £3,876,982 were released to the Statement of comprehensive income.

7. Debtors

	2020 £	<i>2019 £</i>
Trade debtors	-	107,074
Other debtors	-	532
	<u>-</u>	<u>107,606</u>

8. Cash and cash equivalents

	2020 £	<i>2019 £</i>
Cash at bank and in hand	<u>348,398</u>	<u><i>218,828</i></u>

NORTH EAST RIG-OUT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	-	1,438
Amounts owed to group undertakings	55,037	-
Corporation tax	-	50,000
Accruals and deferred income	86,312	101,362
	<u>141,349</u>	<u>152,800</u>

10. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>348,398</u>	<u>325,902</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(141,349)</u>	<u>(102,800)</u>

Financial assets measured at amortised cost through profit or loss comprise of cash and trade debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings, other creditors and accruals.

11. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary share of £1	<u>1</u>	<u>1</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

12. Reserves

Profit and loss account

Profit and loss account includes all current and prior periods retained profits and losses.

NORTH EAST RIG-OUT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Related party transactions

The company is exempt from disclosing related party transactions with entities that are wholly owned by the immediate parent undertaking VF corporation, under FRS 102, section 33.1A.

14. Post balance sheet events

In December 2020 the ultimate controlling party, VF Corporation, decided that North East Rig-out Limited will cease operations on 31 March 2021. As a result, the financial statements are prepared on the break-up basis.

15. Controlling party

The directors regard VF Corporation, a company registered in the United States of America, as the ultimate parent company and controlling party by virtue of its ownership of the entire share capital. Financial statements of VF Corporation can be obtained from 105 Corporate Centre, Greensboro, North Carolina, 27408. Williamson-Dickie Europe Limited, a company registered in England and Wales, is the immediate parent company of North East Rig-Out Limited.