

Registered Number:SC418146

RIG SURVEYS LIMITED

**UNAUDITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**



RIG SURVEYS LIMITED

COMPANY INFORMATION

Directors	R J MacGregor (appointed 13 June 2019) G J Farmer (appointed 13 June 2019) R J Ritchie P C Young
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Company secretary	G J Farmer
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Registered number	SC418146
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Registered office	13 Henderson Road Inverness IV1 1SN
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RIG SURVEYS LIMITED

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RIG SURVEYS LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2020**

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

Directors

The directors who served during the period were:

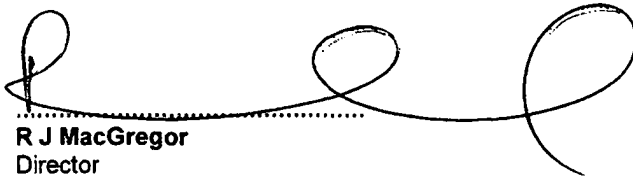
R J MacGregor (appointed 13 June 2019)
G J Farmer (appointed 13 June 2019)
R J Ritchie
P C Young

Small companies note

The directors have taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 not to provide a strategic report.

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 and signed on its behalf.



R J MacGregor
Director

Date: 20/01/2021

RIG SURVEYS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 MARCH 2020

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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 to 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.

RIG SURVEYS LIMITED

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

	15 months ended 31 March 2020 £000	Year ended 31 December 2018 £000
Turnover	5,189	3,980
Cost of sales	(3,422)	(3,005)
Gross profit	1,767	975
Administrative expenses	(2,259)	(490)
Operating (loss)/profit	(492)	485
Tax on (loss)/profit	73	(91)
(Loss)/profit for the financial period	(419)	394

There was no other comprehensive income for 2020 (2018:£NIL).

The notes on pages 7 to 16 form part of these financial statements.

RIG SURVEYS LIMITED
REGISTERED NUMBER:SC418146

BALANCE SHEET
AS AT 31 MARCH 2020

		31 March 2020 £000	31 December 2018 £000
	Note		
Fixed assets			
Intangible assets	4	2,569	-
Tangible assets	5	39	110
Investments	6	13	13
		<u>2,621</u>	<u>123</u>
Current assets			
Stocks		14	7
Debtors: amounts falling due within one year	7	1,691	615
Cash at bank and in hand	8	4	108
		<u>1,709</u>	<u>730</u>
Creditors: amounts falling due within one year	9	(4,380)	(467)
Net current (liabilities)/assets		<u>(2,671)</u>	<u>263</u>
Total assets less current liabilities		<u>(50)</u>	<u>386</u>
Provisions for liabilities			
Deferred tax		-	(17)
		<u>-</u>	<u>(17)</u>
Net (liabilities)/assets		<u><u>(50)</u></u>	<u><u>369</u></u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account		(50)	369
		<u>(50)</u>	<u>369</u>

RIG SURVEYS LIMITED
REGISTERED NUMBER:SC418146

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

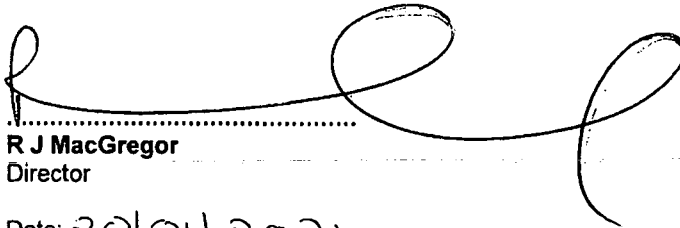
The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 by:



.....
R J MacGregor
Director

Date: 20/01/2021

The notes on pages 7 to 16 form part of these financial statements.

RIG SURVEYS LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2020**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2018	-	(25)	(25)
Profit for the year	-	394	394
At 1 January 2019	-	369	369
Loss for the period	-	(419)	(419)
At 31 March 2020	-	(50)	(50)

The notes on pages 7 to 16 form part of these financial statements.

RIG SURVEYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

1. General information

Rig Surveys Limited is a limited liability company incorporated in Scotland. The registered office is 13 Henderson Road, Inverness, IV1 1SN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of GEG (Holdings) Limited as at 31 March 2020 and these financial statements may be obtained from 13 Henderson Road, Inverness, IV1 1SN.

2.3 Going concern

The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Demand for the group's products and services as well as availability of external finance have been considered in this assessment, with due consideration to the impact of covid-19 and related oil price.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 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:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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

2. Accounting policies (continued)

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

2. Accounting policies (continued)

2.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	50%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

RIG SURVEYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.15 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.

2.16 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.

2.17 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.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.19 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.

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

RIG SURVEYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.19 Financial instruments (continued)

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. Employees

The average monthly number of employees, including directors, during the period was 37 (2018 - 9).

4. Intangible assets

	Goodwill £000
Cost	
Additions	2,569
At 31 March 2020	<u>2,569</u>
Net book value	
At 31 March 2020	<u>2,569</u>
At 31 December 2018	<u>-</u>

During the year the company acquired a trading division from a fellow group company. The goodwill recognised represents the consideration paid in excess of the tangible assets acquired.

RIG SURVEYS LIMITED

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

5. Tangible fixed assets

	Plant and machinery £000
Cost or valuation	
At 1 January 2019	506
Additions	119
Transfers intra group	978
Disposals	(62)
At 31 March 2020	<u>1,541</u>
Depreciation	
At 1 January 2019	396
Charge for the period on owned assets	321
Transfers intra group	847
Disposals	(62)
At 31 March 2020	<u>1,502</u>
Net book value	
At 31 March 2020	<u>39</u>
At 31 December 2018	<u>110</u>

6. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2019	13
At 31 March 2020	<u>13</u>

RIG SURVEYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

6. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Rig IRM Inc.	1333 Price Plaza Drive, Katy, Texas 77449, USA	Ordinary	100%
Rig Surveys AS	Filipstad brygge 1, Oslo, 0252, Norge	Ordinary	100%

7. Debtors

	31 March 2020 £000	31 December 2018 £000
Trade debtors	1,494	288
Amounts owed by group undertakings	138	327
Other debtors	43	-
Prepayments and accrued income	2	-
Deferred taxation	14	-
	1,691	615

8. Cash and cash equivalents

	31 March 2020 £000	31 December 2018 £000
Cash at bank and in hand	4	108
Less: bank overdrafts	(228)	-
	(224)	108

RIG SURVEYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

9. Creditors: Amounts falling due within one year

	31 March 2020 £000	31 December 2018 £000
Bank overdrafts	228	-
Trade creditors	142	58
Amounts owed to group undertakings	3,619	262
Corporation tax	-	79
Other taxation and social security	248	53
Other creditors	67	15
Accruals and deferred income	76	-
	<u>4,380</u>	<u>467</u>

10. Financial instruments

	31 March 2020 £000	31 December 2018 £000
Financial assets		
Financial assets measured at fair value through profit or loss	<u>4</u>	<u>108</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

11. Share capital

	31 March 2020 £000	31 December 2018 £000
Allotted, called up and fully paid		
90 (2018 - 90) Ordinary C Share shares of £1.00 each	-	-
10 (2018 - 10) Ordinary P Share shares of £1.00 each	-	-
	<u>-</u>	<u>-</u>

RIG SURVEYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

12. Related party transactions

The Company is exempt from disclosing transactions with other wholly owned group companies under Section 1AC.35 of FRS 102. During the year the Company entered into transactions, in the normal course of business, with other related parties. Transactions entered into, and the balances outstanding at 31 March 2020, with non-wholly owned group companies are as follows:

	Sales £000	Purchases £000	Year end Balance £000
Entities under common control	522	(264)	(445)
Entities under the control of a close family member of a controlling party	-	(2)	-
	<u>522</u>	<u>(266)</u>	<u>(445)</u>

13. Controlling party

The Company was previously controlled by Challenge Energy Limited. During the year ownership passed to Rig Surveys Group Limited, a company registered in Scotland.

The ultimate parent undertaking and controlling party is GEG Capital Limited, a company registered in Scotland.

The smallest group for which consolidated financial statements are prepared which include Rig Surveys Limited is that of GEG (Holdings) Limited. The largest group for which consolidated financial statements are prepared is that of GEG Capital Limited.

The group financial statements can be obtained from 13 Henderson Road, Inverness, IV1 1SN.