

ADCE INTER - SERVICES LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2012



WILLIAMSON & DUNN
Chartered Accountants & Statutory Auditor
3 West Craibstone Street
Aberdeen
AB11 6YW

ADCE INTER - SERVICES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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ADCE INTER - SERVICES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is the provision of personnel to the oil industry.

The directors are satisfied with the results for the year and are endeavouring to continue to improve the results in the forthcoming year. The principal risk facing the company is the level of activity of the local oil industry.

Key performance indicators	2012 £000	2011 £000
Gross Profit	406	419
Gross Profit percentage	17.6%	19.7%
Net Profit Before Taxation	134	124
Net Assets	765	656

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £108,421. The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 11 to the accounts.

DIRECTORS

The directors who served the company during the year were as follows:

G W M Zonneveld - Stam
Miss J van den Akker

DIRECTORS' RESPONSIBILITIES

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 year.

In preparing those 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.

ADCE INTER - SERVICES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2012

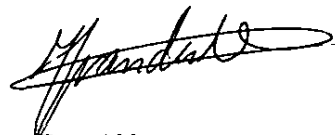
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office:
Thistle House
24-26 Thistle Street
Aberdeen
AB10 1XD

Signed on behalf of the directors



J Van Den Akker

Director

Approved by the directors on 18 July 2013

ADCE INTER - SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADCE INTER - SERVICES LIMITED

YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of ADCE Inter - Services Limited for the year ended 31 December 2012. 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 shareholders, 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 shareholders 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 shareholders 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 set out on pages 1 to 2, 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 (APB'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 annual 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 December 2012 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 MATTERS 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.

ADCE INTER - SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADCE INTER - SERVICES LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2012

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.

KENNETH TAIT CA (Senior Statutory Auditor)
For and on behalf of
WILLIAMSON & DUNN
Chartered Accountants & Statutory Auditor

3 West Craibstone Street
Aberdeen
AB11 6YW

18 July 2013

ADCE INTER - SERVICES LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2012**

		2012 £	2011 £
TURNOVER	Note 2	2,314,576	2,123,403
Cost of sales		<u>1,908,297</u>	<u>1,704,772</u>
GROSS PROFIT		406,279	418,631
Administrative expenses		<u>272,661</u>	<u>294,518</u>
OPERATING PROFIT	3	133,618	124,113
Interest receivable		<u>133</u>	<u>205</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		133,751	124,318
Tax on profit on ordinary activities	6	<u>25,330</u>	<u>35,316</u>
PROFIT FOR THE FINANCIAL YEAR		108,421	89,002
Balance brought forward		<u>631,199</u>	<u>542,197</u>
Balance carried forward		<u>739,620</u>	<u>631,199</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 7 to 15 form part of these financial statements.

ADCE INTER - SERVICES LIMITED

BALANCE SHEET

31 DECEMBER 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	34,996	7,090
CURRENT ASSETS			
Debtors	8	469,130	214,099
Cash at bank and in hand		422,582	530,944
		<u>891,712</u>	<u>745,043</u>
CREDITORS: Amounts falling due within one year	9	<u>162,088</u>	<u>95,934</u>
NET CURRENT ASSETS		<u>729,624</u>	<u>649,109</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>764,620</u>	<u>656,199</u>
CAPITAL AND RESERVES			
Called-up equity share capital	15	25,000	25,000
Profit and loss account		739,620	631,199
SHAREHOLDERS' FUNDS	16	<u>764,620</u>	<u>656,199</u>

These financial statements were approved by the directors and authorised for issue on 18 July 2013, and are signed on their behalf by:


J Van Den Akker
Director

Company Registration Number: SC120769

The notes on pages 7 to 15 form part of these financial statements.

ADCE INTER - SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

In respect of contracts for on-going services and in accordance with UITF 40, turnover is recognised as the services are performed and is stated net of VAT.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, Fittings and Equipment -	20%-100% straight line
Tenants Improvements	- 10% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

ADCE INTER - SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits.

ADCE INTER - SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES *(continued)*

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	2012 £	2011 £
United Kingdom	1,741,990	67,079
Overseas	572,586	2,056,324
	<u>2,314,576</u>	<u>2,123,403</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2012 £	2011 £
Depreciation of owned fixed assets	11,047	9,028
Auditor's remuneration		
- as auditor	3,600	3,790
Net loss on foreign currency translation	<u>13,402</u>	<u>17,967</u>

ADCE INTER - SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2012	2011
	No	No
Number of production staff	21	22
Number of administrative staff	4	4
Number of management staff	1	1
	<u>26</u>	<u>27</u>

The aggregate payroll costs of the above were:

	2012	2011
	£	£
Wages and salaries	1,259,979	1,185,943
Social security costs	142,501	116,565
Other pension costs	2,519	3,399
Director's pension costs	3,120	4,100
	<u>1,408,119</u>	<u>1,310,007</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2012	2011
	£	£
Remuneration receivable	44,257	43,143
Value of company pension contributions to money purchase schemes	3,120	4,100
	<u>47,377</u>	<u>47,243</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2012	2011
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

ADCE INTER - SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax:		
UK Corporation tax based on the results for the year at 24% (2011 - 26%)	25,330	35,316
Total current tax	<u>25,330</u>	<u>35,316</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24% (2011 - 26%).

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>133,751</u>	<u>124,318</u>
Profit on ordinary activities by rate of tax	32,100	32,323
Disallowed expenses	262	1,413
Excess of capital allowances over depreciation	(7,546)	923
Marginal tax rates	514	657
Total current tax (note 6(a))	<u>25,330</u>	<u>35,316</u>

ADCE INTER - SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

7. TANGIBLE FIXED ASSETS

	Fixtures, Fittings and Equipment £	Tenants Improvements £	Total £
COST			
At 1 January 2012	72,230	13,998	86,228
Additions	38,954	—	38,954
Disposals	(23,685)	—	(23,685)
At 31 December 2012	87,499	13,998	101,497
DEPRECIATION			
At 1 January 2012	69,759	9,379	79,138
Charge for the year	10,167	880	11,047
On disposals	(23,684)	—	(23,684)
At 31 December 2012	56,242	10,259	66,501
NET BOOK VALUE			
At 31 December 2012	31,257	3,739	34,996
At 31 December 2011	2,471	4,619	7,090

8. DEBTORS

	2012 £	2011 £
Trade debtors	351,155	153,291
Amounts owed by group undertakings	75,774	40,950
VAT recoverable	—	2,870
Prepayments and accrued income	42,201	16,988
	469,130	214,099

9. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	39,489	25,183
Other creditors including taxation and social security:		
Corporation tax	25,330	15,316
PAYE and social security	14,184	25,019
VAT	33,020	—
	72,534	40,335
Accruals and deferred income	50,065	30,416
	162,088	95,934

ADCE INTER - SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

10. PENSIONS

The company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are paid based upon the recommendations of a qualified actuary. The annual commitment under this scheme is for contributions of £5,639 (2011 - £7,500). There were no contributions prepaid or outstanding at the year end.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

(c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Liquidity risk

The company's aim is to maintain a balance between continuity of funding and flexibility through maintaining a sustainable level of external borrowings. Constant monitoring of the company's position allow the directors to anticipate if and when funds will be required.

Currency risk

The company's exposure to foreign currency risk is minimal as almost all its transactions are dealt with in UK currency. No financial instruments are in place to remove the effect of fluctuations in exchange rates on the company.

Fair values of financial assets and liabilities

Financial instruments included in the accounts have been reviewed and the carrying values per the accounts is the same as the fair value of these financial instruments.

ADCE INTER - SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

12. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>23,580</u>	<u>23,580</u>

13. RELATED PARTY TRANSACTIONS

The company is owned by USG People NV, a Netherlands based listed company, which owns USG Energy BV, another Dutch company operating in the same business sector as ADCE Inter-Services Limited. The company had sales income from USG Energy BV of £550,606 (2011 - £570,547) and at the balance sheet date the amount due by USG Energy BV to the company was £75,774 (2011 - £40,950). In addition, USG People NV charged ADCE Inter-Services Limited a management fee for the year, amounting to £10,027 (2011 - £7,532).

All transactions were at arm's length and on normal commercial terms.

14. CONTROL

Throughout the previous and current financial years, the company was under the control of USG People NV, a Netherlands based listed company.

15. SHARE CAPITAL

Authorised share capital:

	2012	2011
	£	£
25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

ADCE INTER - SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Profit for the financial year	108,421	89,002
Opening shareholders' funds	656,199	567,197
Closing shareholders' funds	<u>764,620</u>	<u>656,199</u>

17. ULTIMATE PARENT COMPANY

The shares of the company are owned by USG People NV, a Netherlands based listed company. Since the year end the immediate holding company USG Energy BV has been acquired by the Netherlands private equity firm Rabo Capital.