



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 917 968 470
Organisasjonsform: Aksjeselskap
Foretaksnavn: READ CH HOLDING AS
Forretningsadresse: c/o Norvestor Equity AS
Hieronymus Heyerdahls gate 1
0160 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2018 - 31.12.2018

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Bruce Melvin
Dato for fastsettelse av årsregnskapet: 28.06.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 02.11.2020



Resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	2	797 000	153 000
Sum kostnader		797 000	153 000
Driftsresultat		-797 000	-153 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		513 000	191 000
Annen renteinntekt			1 000
Sum finansinntekter		513 000	192 000
Annen finanskostnad		757 000	1 000
Sum finanskostnader		757 000	1 000
Netto finans		-244 000	191 000
Ordinært resultat før skattekostnad		-1 041 000	38 000
Ordinært resultat etter skattekostnad		-1 041 000	38 000
Skattekostnad på ekstraordinært resultat	3		9 000
Årsresultat		-1 041 000	29 000
Overføringer og disponeringer			
Overføring til/fra annen egenkapital	7	-1 041 000	29 000
Sum overføringer og disponeringer		-1 041 000	29 000



Balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	3		
Finansielle anleggsmidler			
Investering i datterselskap	5	124 058 000	124 058 000
Sum finansielle anleggsmidler		124 058 000	124 058 000
Sum anleggsmidler		124 058 000	124 058 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	5	22 925 000	9 025 000
Sum fordringer		22 925 000	9 025 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	4	22 000	21 000
Sum bankinnskudd, kontanter og lignende		22 000	21 000
Sum omløpsmidler		22 947 000	9 046 000
SUM EIENDELER		147 005 000	133 104 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	6, 7	214 000	214 000
Overkurs	7	132 607 000	132 607 000
Sum innskutt egenkapital		132 821 000	132 821 000
Opptjent egenkapital			



Balanse

Beløp i: NOK	Note	2018	2017
Annen egenkapital	7	-1 012 000	29 000
Sum opptjent egenkapital		-1 012 000	29 000
Sum egenkapital		131 809 000	132 850 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		625 000	
Betalbar skatt	3		9 000
Annen kortsiktig gjeld		14 571 000	245 000
Sum kortsiktig gjeld		15 196 000	254 000
Sum gjeld		15 196 000	254 000
SUM EGENKAPITAL OG GJELD		147 005 000	133 104 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	43 879 000	62 688 000
Sum inntekter		43 879 000	62 688 000
Kostnader			
Varekostnad		10 158 000	8 881 000
Lønnskostnad	3	32 351 000	38 065 000
Avskrivning	4, 5	22 186 000	20 883 000
Annen driftskostnad	3	20 046 000	16 662 000
Sum kostnader		84 741 000	84 491 000
Driftsresultat		-40 862 000	-21 803 000
Finansinntekter og finanskostnader			
Annen finansinntekt		96 000	664 000
Sum finansinntekter		96 000	664 000
Annen finanskostnad		3 255 000	4 060 000
Sum finanskostnader		3 255 000	4 060 000
Netto finans		-3 159 000	-3 396 000
Ordinært resultat før skattekostnad		-44 021 000	-25 199 000
Ordinært resultat etter skattekostnad		-44 021 000	-25 199 000
Skattekostnad på ekstraordinært resultat	6	2 577 000	1 660 000
Årsresultat		-46 598 000	-26 859 000
Overføringer og disponeringer			
Udekket tap	11	-46 597 000	-26 859 000
Sum overføringer og disponeringer		-46 597 000	-26 859 000



Konsernets balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Goodwill	4, 12	100 658 000	112 932 000
Sum immaterielle eiendeler		100 658 000	112 932 000
Varige driftsmidler			
Maskiner og anlegg	5	30 472 000	39 737 000
Driftsløsøre, inventar, verktøy, kontormaskiner			186 000
Sum varige driftsmidler		30 472 000	39 923 000
Sum anleggsmidler		131 130 000	152 855 000
Omløpsmidler			
Varer			
Varer		1 868 000	2 912 000
Sum varer		1 868 000	2 912 000
Fordringer			
Kundefordringer		8 353 000	2 380 000
Andre fordringer		7 341 000	6 078 000
Sum fordringer		15 694 000	8 458 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	7	2 305 000	1 819 000
Sum bankinnskudd, kontanter og lignende		2 305 000	1 819 000
Sum omløpsmidler		19 867 000	13 189 000
SUM EIENDELER		150 997 000	166 044 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Konsernets balanse

Beløp i: NOK	Note	2018	2017
Aksjekapital	10, 11	214 000	214 000
Overkurs	11	132 607 000	132 607 000
Sum innskutt egenkapital		132 821 000	132 821 000
Opptjent egenkapital			
Udekket tap	11	71 332 000	24 439 000
Sum opptjent egenkapital		-71 332 000	-24 439 000
Sum egenkapital		61 489 000	108 382 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	8	47 372 000	47 635 000
Sum annen langsiktig gjeld		47 372 000	47 635 000
Sum langsiktig gjeld		47 372 000	47 635 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	8	11 131 000	3 160 000
Leverandørgjeld		9 862 000	4 011 000
Betalbar skatt	6	288 000	
Skyldige offentlige avgifter		2 714 000	1 202 000
Annen kortsiktig gjeld		18 141 000	1 654 000
Sum kortsiktig gjeld		42 136 000	10 027 000
Sum gjeld		89 508 000	57 662 000
SUM EGENKAPITAL OG GJELD		150 997 000	166 044 000



Read CH Holding AS

Annual report

2018



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Consolidated statement of profit and loss

31 December 2018

(NOK'000)	Notes	31.12.2018	15.12.16 - 31.12.17
Revenue	2	43 879	62 688
Total revenue		43 879	62 688
Cost of goods sold		10 158	8 881
Salary and personell costs	3	32 351	38 065
Other operating expenses	3	20 046	16 662
Depreciation, amortizations and write downs	4, 5	22 186	20 883
Operating expenses		84 741	84 491
Operating loss		-40 861	-21 803
Finance income		96	664
Finance expenses		3 255	4 060
Net finance expenses		-3 159	-3 396
Loss before income tax		-44 020	-25 199
Income tax expense	6	2 577	1 660
Loss for the year		-46 597	-26 859
Allocated as follows			
Uncovered loss	11	-46 597	-26 859



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Consolidated statement of financial position

(NOK'000)	Notes	31.12.18	31.12.17
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	4, 12	100 658	112 932
Total intangible assets		100 658	112 932
Fixed assets			
Property, plant and equipment	5	30 472	39 737
Other long term assets		-	186
Total fixed assets		30 472	39 923
Current assets			
Inventory		1 868	2 912
Accounts receivable		8 353	2 380
Other receivables		7 341	6 078
Cash and cash equivalents	7	2 305	1 819
Total current assets		19 867	13 189
TOTAL ASSETS		150 997	166 044



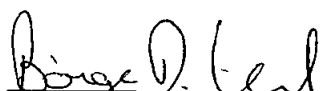
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Consolidated statement of financial position


(NOK'000)	Notes	31.12.18	31.12.17
Equity			
Paid in capital			
Share capital	10, 11	214	214
Share premium	11	132 607	132 607
Total paid in capital		132 821	132 821
Other equity			
Retained earnings	11	-71 332	-24 439
Total equity		-71 332	-24 439
Total equity		61 489	108 382
Non-current liabilities			
Long term debt to financial institutions	8	47 372	47 635
Total non-current liabilities		47 372	47 635
Current liabilities			
Short term debt: financial institutions	8	11 131	3 160
Accounts payable		9 862	4 011
Income tax payable	6	288	-
Public duties payable		2 714	1 202
Other current liabilities		18 141	1 954
Total current liabilities		42 136	10 027
Total liabilities		89 508	57 662
TOTAL EQUITY AND LIABILITIES		150 997	166 044

31 December 2018
Stavanger, 28 June 2019


Tor Erling Gunnherød
Chairman of the Board


Berge Richard Kolstad
Member of the Board


Astrid Kjøppernæs
Member of the Board


Martin Gordon Perry
Member of the Board



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Consolidated statement of cash flows

(NOK'000)	2018	15.12.16 - 31.12.17
Profit before tax	-44 020	-25 199
Taxes paid in the period	-2 301	-134
Depreciation/amortisation	22 186	20 883
Change in inventory	1 044	-2 912
Change in trade debtors	-5 973	-2 380
Change in trade creditors	5 851	1 747
Changes in other current balance sheet items	3 125	-20 441
Net cash flow from operating activities	-20 088	-28 435
Sale of tangible assets	-	398
Purchase of tangible assets	-764	-
Payments relating to business acquisitions less cash in enties	-	-153 658
Net cash flow from investing activities	-764	-153 260
Draw down of long term debt	-	49 850
Draw down of short term loan	21 601	3 160
Repayment of long term loan	-263	-2 215
Proceeds from share subscriptions	-	132 821
Repayment of equity	-	-123
Net cash flow from financing activities	21 338	183 493
Net changes in cash and cash equivalents	486	1 798
Opening cash and cash equivalents	1 819	21
Cash and cash equivalents at 31 December	2 305	1 819



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Notes to the consolidated financial statements

All notes in 1000 NOK

Note 1: Accounting principles

Basis for preparation of the annual accounts

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles for small companies.

Read CH Holding AS was established is October 2016. In December 2016 Read Cased Hole Ltd and subsidiary was acquired and the group was formed.

Summary of significant accounting policies

Consolidation of subsidiaries

The Group's consolidated financial statements comprise Read CH Holding AS and companies in which Read CH Holding AS has a controlling interest. A controlling interest is normally obtained when the group owns more than 50% of the shares in the company and can exercise control over the company. Transactions between group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary.

The acquisition method is applied when accounting for business combinations. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

Acquired subsidiaries are included in the consolidated financial statements based on the parent company's acquisition cost. Acquisition cost is allocated to identifiable assets and liabilities of the subsidiary, which is recorded in the consolidated financial statements at fair value at the acquisition date. Any excess or shortfall in excess of what can be allocated to identifiable assets and liabilities is recorded as goodwill. Added value in the consolidated financial statements are amortized over the acquired asset's expected lifetime.

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

Revenue recognition

Revenue is recognized based on the time that assets are on hire with services being recognised when obligations are fulfilled and the receipt of revenue is considered probable. Revenue is stated net of discounts and rebates.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 % percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.



Read CH Holding AS

Notes to the consolidated financial statements

All notes in 1000 NOK

Balance sheet classification

Net current assets and current liabilities consist of receivables and payables due within one year after the date of acquisition, and items related to the inventory cycle. Other entries are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of acquisition cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost of acquisition, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Inventory

Raw materials and consumables are carried at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

Account receivables and other current receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Defined contribution plans

The company has a defined contribution pension plan. The pension premiums are charged to expenses as they are incurred.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.



Read CH Holding AS

Notes to the consolidated financial statements

All notes in 1000 NOK

Note 2 - Segment Information

Geographic segment	2018	2 017
Denmark	4 870	41 431
Kazakhstan	9 989	7 350
Qatar	16 725	5 333
UK	4 024	3 912
Tunisia	1 150	1 290
Germany	922	1 058
Norway	1 303	1 037
Other	4 896	1 277
Total revenue	43 879	62 688

All revenue was derived from the provision of cased hole logging services

Note 3 - Salary and personnel expense, management remuneration and auditor's fee

	2018	2 017
Salaries and holiday pay	26 285	31 724
Social security tax	3 265	3 777
Pension costs defined contribution plans	2 801	2 564
	32 351	38 065

The average number of full time employees during the period has been: 36 38

Management remuneration

The Managing Director for the group is employed by the subsidiary Read Cased Hole Ltd. There has not been paid any remuneration to the Board of Directors.

	Salary	Bonus	Pension cost	Other	Total
Management					
Managing Director	3 243	293	217	-	3 753

There is an agreement regarding quarterly bonus to the managing director which is governed by the revenue compared to the budget for the same period. The bonus is limited up to 40% of the salary for the quarter.



Read CH Holding AS

Notes to the consolidated financial statements

All notes in 1000 NOK

Auditor

Specification of auditor's fee:

	2 018	2 017
Statutory audit fee	347	215
Other services	186	132
Total fee to auditor	533	347

VAT is not included in the fee specified above.

Note 4 - Intangible assets

	Goodwill
Opening balance	121 791
FX differences	4 031
Accumulated acquisition cost 31.12.18	125 822
Accumulated amortisation at 31.12.18	24 819
FX differences	346
Accumulated amortisation and impairments 31.12.18	25 164
Net carrying value at 31.12.18	100 658
Amortisation for the year	12 271
Useful economic life	10 years
Amortisation plan	Linear

Goodwill relates to the acquisition of subsidiary Read Cased Hole Ltd. Read Cased Hole Ltd was acquired in 2016.

Useful economic life of 10 years for goodwill is based on the expected period where one will expect to get a return on unidentified assets on date of acquisition.

Management performed an impairment test of goodwill in 2018. The impairment test is based on discounting future cash flows (value in use). The cash flows are based on the 2019 budget and the overall business plan for the years 2020 to 2023.

The impairment test for the period 2019 to 2023 is predicated on an average annual revenue growth of 25%. EBIT in % of revenue is expected to increase from 6,7% in 2019 to 34,8% in 2023. The impairment model is most sensitive to changes in the assumptions relating to future growth. Management expects increased activity in 2019 compared to 2018 through increase in activity in Qatar and Kazakhstan.

The value derived from periods beyond 2023 are calculated using Gordon Growth Model using a nominal growth of 2%. The pre-tax required rate of return (WACC) is 10%.

The impairment test showed that there were no need to write-down the carrying value of goodwill as of 31.12.18.



Read CH Holding AS

Notes to the consolidated financial statements

All notes in 1000 NOK

Note 5 - Property, plant and equipment

	Plant and machinery	Tenant's improvements	Computer equipment	Total
Opening balance	46 473	452	1 500	48 424
Additions	215	0	549	764
Disposals	-	-	-	-
FX differences	92	0	17	109
Accumulated acquisition cost 31.12	46 779	452	2 066	49 297
Accumulated depreciation at 01.01	-8 445	-142	-101	-8 687
This years depreciation	-9 261	-40	-613	-9 915
Depreciation on disposals	-	-	-	-
FX differences	-207	-1	-16	-223
Accumulated depreciation at 31.12	-17 912	-183	-730	-18 825
Net carrying value at 31.12.18	28 867	269	1 336	30 472
Amortisation for the year	9 261	40	613	9 915
Impairment loss for the year				0
Useful economic life	8 years	3 years	3 years	
Amortisation plan	Linear	Linear	Linear	



Read CH Holding AS

Notes to the consolidated financial statements

All notes in 1000 NOK

Note 6 - Income taxes

Income tax expense	2 018	2 017
Tax payable	0	0
Changes in deferred tax	0	0
Forreign tax suffered	2 577	1 660
Effect of changes in tax rate	0	0
Total income tax expense	2 577	1 660

Tax base calculation

Result before tax	-44 020	-25 199
Permanent differences (**)	12 529	12 325
Changes in temporary differences	-28 538	1 890
Tax base	-60 029	-10 984

***) Includes depreciation on goodwill in addition to other permanent differences like representation expenses etc.

Temporary differences:

Receivables	-145	-180
Non current assets	-26 227	-13 547
Tax loss carry forwards	-25 162	-7 654
Total	-51 534	-21 381

Deferred tax liability (asset)	-11 853	-4 918
Deferred tax assets not recognized	11 853	4 918
Deferred tax liability (asset)	-	-

Explanation as of why the current year's tax expense is not 23% of the profit before tax:

	2018	2 017
Result before tax	-44 020	-25 199
23% taxes on profit before tax	-9 980	-6 048
Permanent differences (23%)	2 894	3 003
Changes in not recognized tax asset	7 086	3 045
Impact from differences in tax rates in countries outside Norway	2 577	1 660
Calculated income tax expense	2 577	1 660

Effective tax rate in % (**)	-5,9 %	-6,6 %
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Note 7 - Cash and cash equivalents

Restricted cash related to guarantees for the group per 31 December 2018 amounts to NOK 1 234.



Read CH Holding AS

Notes to the consolidated financial statements

All notes in 1000 NOK

Note 8 - Long term debt to financial institutions

	Entity	Loan (GBP)	Carrying value (NOK)	Term	Maturity
Bank loan A	Read CH Group AS	3 800	42 121	5 years	08.06.2022
Bank loan B	Read CH Group AS	500	5 251	5 years	21.11.2022
Short term credit facility	Read CH Group AS	1 000	11 131		
Total		5 300	58 503		

The bank loan A in Read CH Group AS was drawn down as part of the financing of the acquisition of Read Cased Hole Ltd. The loan runs for 5 years until maturity, 8th June 2022. The original amount of the loan was GBP 4 million. The yearly installments amounts to GBP 0,4 million. GBP 2 million are due on maturity of the loan.

Bank loan B of GBP 0,5 mill have yearly installments of GBP 0,1 million. The loan runs for 5 years until maturity, 21 November 2022.

The bank loan A of GBP 4 mill, bank loan B of GBP 0,5 mill and the short term credit facility of GBP 1 mill are formally entered into by Read CH Group AS.

Read CH Group AS has an overdraft facility of GBP 1 000 000. The facility is renewed yearly, next renewal is May 2019. As of 31.12.18 there is a total withdraw of kGBP 1000 /kNOK 11 131.

All of the above loans entered into are with the same bank and they have certain financial covenants on group level. The financial covenants ties to equity ratio and net interest bearing debt over EBITDA. The group did not satisfy the covenant tied to net interest-bearing debt over EBITDA by March 31, 2019 but received a waiver from the bank. Next reporting for determining compliance with covenants is Q1 2020, and the group expects to be compliant.

A bond and floating charge agreement has been entered into, where Read Cased Hole Ltd guarantees as the primary obligant for any amount payable up to NOK 50 million to the bank from any of the group companies controlled by Read CH Group AS.



Read CH Holding AS

Notes to the consolidated financial statements

All notes in 1000 NOK

Note 9 - Consolidated entities

Company	Acquisition date	Location	Share ownership	Voting rights
Read CH Group AS	15.12.2016	Oslo	100 %	100 %
Investments held through subsidiaries:				
Read Cased Hole Ltd		Aberdeen	100 %	100 %
Read Cased Hole AS		Oslo	100 %	100 %

Note 10 - Share capital and shareholder information

The share capital in the parent company at 31 December 2018 consists of 107 170 shares of NOK 2, resulting in a total share capital of NOK 214 340.

Ownership structure

Shareholders as of 31 December 2018:

	Class A	Class B	Ownership share	Voting share
Norvestor VII LP	75 968		71 %	71 %
Norvestor VII OS LP	24 032		22 %	22 %
Wellwork Invest 1 AS	1 614		1,5 %	1,5 %
Martin Perry	679		0,6 %	0,6 %
Roy Henry Ivor Martin	212	1 909	2,0 %	2,0 %
Bruce Andrew Melvin	102	916	0,9 %	0,9 %
Gavin Lindsay	102	916	0,9 %	0,9 %
Alan Wash	34	305	0,3 %	0,3 %
Murillo Addario	34	305	0,3 %	0,3 %
Ian Kerr	4	38	0,0 %	0,0 %
Total number of shares	102 781	4 389	100 %	100 %



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Notes to the consolidated financial statements

All notes in 1000 NOK

Note 11 - Equity

	Share capital	Share premium	Retained earnings	Total equity
Equity at 1 January 2018	214	132 607	-24 439	108 382
Loss for the year			-46 597	-46 597
Currency translation differences			-296	-296
Equity at 31 December 2018	214	132 607	-71 332	61 489



Read CH Holding AS

Notes to the consolidated financial statements

All notes in 1000 NOK

Note 12 - Financial market risk

The group is exposed to interest rate risk, credit risk, foreign currency risk and liquidity risk. The group's management oversees the management of these risks and monitors the changes and considers using financial instruments to reduce the risks as necessary. Currently the group has not entered into any such agreements.

Interest rate risk

The group's long term financing has a floating interest rate (LIBOR) and there is a risk that future cash flows will fluctuate because of changes in market interest rates.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's investments in foreign subsidiaries.

Liquidity risk

The Group monitors its risk of a shortage of funds on an ongoing basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans, in addition to equity.

Note 13 - Commitments and contingencies

The group has entered into a leasing agreement for the rental of offices and warehouses in the UK.

All leasing agreements are recognized as operational lease agreements in the group accounts.

	Land and buildings	Other
Within one year	2 000	151
Between one and five years	8 000	-
After five years	14 000	-
	24 000	151

Note 14 - Going Concern

The liquidity situation of READ CH Holding AS and associated group companies is being monitored closely. The company will come very close to reaching the overdraft facility limit however it has been agreed with the shareholders that additional working capital will be invested into the company if required. The Fund provides a short-term facility of up to GBP 0,5 million in 2019.

In accordance with the Accounting Act (Regnskapsloven) §3-3 it is confirmed that the going concern assumption is present. This assumption is based on profit forecasts for 2019 and its long-term strategic prognosis.

Note 15 - Subsequent events

The company acquired 100% of the shares in well integrity entity Proactive Diagnostics Services Inc in January 2019.

Bridging investment issued in 2018 from Norvestor of GBP 0,5 million was converted to equity in April 2019.



Read CH Holding AS

Statement of profit or loss for the parent company

19 September - 31 December

(NOK'000)	Notes	31.12.2018	15.12.16 - 31.12.17
Other operating expenses	2	797	153
Total operating expenses		797	153
Operating loss		-797	-153
Interest income from group companies		513	191
Other finance income		-	1
Other finance costs		757	1
Profit/ (loss) before income tax		-1 041	38
Income tax expense	3	-	9
Profit for the year		-1 041	29
Allocated as follows			
Accumulated profit	7	-1 041	29
Total		-1 041	29



Read CH Holding AS

Statement of financial position for the parent company

(NOK'000)	Notes	2018	2017
ASSETS			
Non-current assets			
Deferred tax assets	3	0	0
Investments in subsidiaries	5	124 058	124 058
Total non-current assets		124 058	124 058
Current assets			
Other receivables	5	22 925	9 025
Cash and cash equivalents	4	22	21
Total current assets		22 947	9 046
TOTAL ASSETS		147 005	133 104
EQUITY AND LIABILITIES			
Equity			
Share capital	6, 7	214	214
Share premium	7	132 607	132 607
Retained earnings	7	-1 012	29
Total equity		131 809	132 850
Current liabilities			
Accounts payable		625	-
Taxes payable	3	0	9
Other current liabilities		14 571	245
Total current liabilities		15 196	254
Total liabilities		15 196	254
TOTAL EQUITY AND LIABILITIES		147 005	133 104

31 December 2017
Stavanger, 28 June 2019

Tor Erling Gunnørød
Chairman of the Board

Børge O. Kildas
Member of the Board

Astrid Koppernæs
Member of the Board

Martin Gordon Perry
Member of the Board



Read CH Holding AS

Statement of cash flows for the parent company

19 September - 31 December

(NOK'000)	31.12.2018	15.12.16 - 31.12.17
Profit before tax	-1 041	38
Changes in other current balance sheet items	1 042	-8 780
Net cash flow from operating activities	1	-8 742
Payments relating to investments in subsidiaries	-	-124 058
Dividends received from investments in subsidiaries	-	-
Net cash flow from investing activities	-	-124 058
Proceeds from long term loan	-	-
Proceeds from share subscriptions	-	132 821
Net cash flow from financing activities	-	132 821
Net change in cash and cash equivalents	1	21
Opening cash and cash equivalents	21	-
Cash and cash equivalents at 31 December	22	21



Read CH Holding AS

Notes to the financial statements for the parent company

All notes in 1000 NOK

Note 1: Accounting principles

Basis for preparation of the annual accounts

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles for small companies. The company was founded 13.10.2016.

Summary of significant accounting policies

Investment in subsidiaries

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 % percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Balance sheet classification

Net current assets and current liabilities consist of receivables and payables due within one year after the date of acquisition, and items related to the inventory cycle. Other entries are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of acquisition cost and fair value. Short term liabilities are recognized at nominal value.

Account receivables and other current receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.



Read CH Holding AS

Notes to the financial statements for the parent company

All notes in 1000 NOK

Note 2 - Salary and personnel expense, management remuneration and auditor's fee

The entity have no employees and is not obliged to have an occupational pension scheme according to the Act on Mandatory Occupational Pensions.

Auditor

Specification of auditor's fee:

	2 018	2 017
Audit fee	106	-
Other services	66	132
Total fee to auditor	172	132

VAT is included in the fee specified above.

Note 3 - Income taxes

Income tax expense	2 018	2 017
Tax payable	-	9
Changes in deferred tax	-	-
Total income tax expense	-	9

Tax base calculation

Ordinary result before tax	-1 041	38
Permanent differences	-	-
Changes in temporary differences	-	-
Tax basis	-1 041	38

Temporary differences	2 018	2017
Losses carried forward	-1 041	-
Net temporary differences per 31.12	-1 041	-
Deferred tax assets not recognized	-1 041	-
Total	-	-

Note 4 - Cash and cash equivalents

There are no restricted cash as of 31. December 2018.



Read CH Holding AS

Notes to the financial statements for the parent company

All notes in 1000 NOK

Note 5 - Investment in subsidiaries

Company	Acquisition date	Location	Share ownership	Voting rights	Profit/Loss 2018	Equity 31. December 2018	Book value 31.12.2018 (parent)
Read CH Group AS	04.11.2016	Norway	100 %	100 %	-231	122 216	124 058

Read CH Holding AS through Read CH Group AS acquired 100% of the shares in Read Cased Hole Ltd and subsidiary for kNOK 171 516 on 15 December 2016.

Company owned through subsidiary	Location	Share ownership	Voting rights
Read Cased Hole Ltd	UK	100 %	100 %
Read Cased Hole AS	Norway	100 %	100 %

Note 6 - Share capital and shareholder information

The share capital in the parent company at 31 December 2018 consists of 107 170 shares of NOK 2, resulting in a total share capital of NOK 214 340.

Ownership structure

Largest shareholders as of 31 December 2018:

	Class A	Class B	Ownership share	Voting share
Norvestor VII LP	75 968		71 %	71 %
Norvestor VII OS LP	24 032		22 %	22 %
Wellwork Invest 1 AS	1 614		2 %	2 %
Martin Perry	679		1 %	1 %
Roy Henry Ivor Martin	212	1 909	2 %	2 %
Bruce Andrew Meivin	102	916	1 %	1 %
Gavin Lindsay	102	916	1 %	1 %
Alan Wash	34	305	0 %	0 %
Murillo Addario	34	305	0 %	0 %
Ian Kerr	4	38	0 %	0 %
Total number of shares	102 781	4 389	100 %	100 %

Note 7 - Equity

	Share capital	Share premium	Retained earnings	Total equity
Equity at 1 January 2018	214	132 607	29	132 850
Profit for the year			-1 041	-1 041
Equity at 31 December 2018	214	132 607	-1 012	131 809



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working world

Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Read CH Holding AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Read CH Holding AS, which comprise the financial statements for the parent company and the Group. The financial statements for the parent company and the Group comprise the balance sheets as at 31 December 2018, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). 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 and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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.

Responsibilities of management for the financial statements

The Board of Directors and Chief Executive Officer (management) is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Company or to cease operations, or has 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 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.



As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

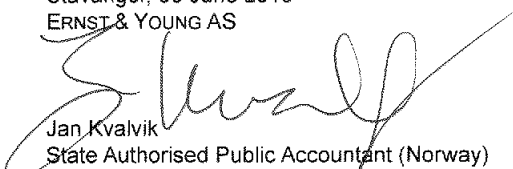
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Stavanger, 30 June 2019
ERNST & YOUNG AS



Jan Kvalvik
State Authorised Public Accountant (Norway)



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	11.12.2017	13.02.2018
Telefon	Deres referanse	Vår referanse
90076012	Max-Einar Ludvigsen	2018/29050

Ernst & Young
Postboks 1156 Sentrum
0107 OSLO

**Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk,
Read CH Holding AS, org. nr. 917 968 470**

Vi viser til deres brev av 11. desember 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Read CH Holding AS, samt senere e-post korrespondanse.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Read CH Holding AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden gjengis:

Read CH Holding AS er et holdingselskap, med datterselskaper i utlandet.

Selskapet opererer i sektorer og land, der engelsk er det dominerende språket. Deler av selskapets aksjonærer er utenlandske personer eller selskaper, og selskapet henvender seg jevnlig til potensielle investorer som er basert i utlandet.

I lys av selskapets og konsernets situasjon, der enkelte av selskapets investorer og styremedlemmer kun behersker engelsk, samt at engelsk er både arbeidsspråket til konsernet og bransjen der selskapet opererer, fremstår kravet i regnskapsloven § 3-4 om utarbeidelse av årsregnskap og årsberetning på norsk som unødvendig.

Konsernet driver innenfor oljeservicesektoren, hvor kundene er internasjonale oljeselskaper. Eierne består av tre norske aksjeselskap og syv britiske personer. En norsk oversettelse vil kun ha til formål å tilfredsstille regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post:	22 17 08 60
	skatteetaten.no/sendepost	



I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er et holdingselskap, hvor deler av aksjonærene er utenlandske. Eierkretsen er begrenset. Selskapet driver virksomhet i en internasjonal bransje og arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale brukere av regnskapet behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer