



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2015 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	980 596 109
Organisasjonsform:	Norskreg. utenlandsk foretak
Foretaksnavn:	EXPRO GROUP NORWAY NORSK AVDELING AV UTENLANDS ENHET
Forretningsadresse:	Energivegen 12A 4056 TANANGER

### Regnskapsår

Årsregnskapets periode:	01.04.2014 - 31.03.2015
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### Konsern

Morselskap i konsern:	Nei
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### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Marianne Moe
Dato for fastsettelse av årsregnskapet:	14.04.2016

### Grunnlag for avgivelse

År 2015: Årsregnskapet er elektronisk innlevert  
År 2014: Tall er hentet fra elektronisk innlevert årsregnskap fra 2015

*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, 06.09.2020



## Resultatregnskap

Beløp i: NOK	Note	2015	2014
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		146 891 000	182 880 000
<b>Sum inntekter</b>		<b>146 891 000</b>	<b>182 880 000</b>
<b>Kostnader</b>			
Varekostnad		28 017 000	40 176 000
Lønnskostnad	2	39 246 000	34 662 000
Avskrivning	3	12 377 000	7 061 000
Annen driftskostnad		22 766 000	22 126 000
<b>Sum kostnader</b>		<b>102 406 000</b>	<b>104 025 000</b>
<b>Driftsresultat</b>		<b>44 485 000</b>	<b>78 855 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt		202 000	57 000
<b>Sum finansinntekter</b>		<b>202 000</b>	<b>57 000</b>
Annen finanskostnad		170 879 000	3 490 000
<b>Sum finanskostnader</b>		<b>170 879 000</b>	<b>3 490 000</b>
<b>Netto finans</b>		<b>-170 677 000</b>	<b>-3 433 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-126 192 000</b>	<b>75 422 000</b>
Skattekostnad på ordinært resultat	6	-33 177 000	20 854 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-93 015 000</b>	<b>54 568 000</b>
<b>Årsresultat</b>		<b>-93 015 000</b>	<b>54 568 000</b>
<b>Overføringer og disponeringer</b>			
Konsernbidrag			-42 388 000
Overføring til/fra annen egenkapital		-93 015 000	-12 180 000
<b>Sum overføringer og disponeringer</b>		<b>-93 015 000</b>	<b>-54 568 000</b>



## Balanse

Beløp i: NOK	Note	2015	2014
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	6	29 729 000	
<b>Sum immaterielle eiendeler</b>		<b>29 729 000</b>	
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner	3	58 501 000	71 666 000
<b>Sum varige driftsmidler</b>		<b>58 501 000</b>	<b>71 666 000</b>
<b>Finansielle anleggsmidler</b>			
Lån til foretak i samme konsern	5		
<b>Sum anleggsmidler</b>		<b>88 230 000</b>	<b>71 666 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	8	3 953 000	5 735 000
<b>Sum varer</b>		<b>3 953 000</b>	<b>5 735 000</b>
<b>Fordringer</b>			
Kundefordringer		20 698 000	28 039 000
Andre fordringer		2 333 000	1 259 000
Konsernfordringer	5		
<b>Sum fordringer</b>		<b>23 031 000</b>	<b>29 298 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	4	104 713 000	24 454 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>104 713 000</b>	<b>24 454 000</b>
<b>Sum omløpsmidler</b>		<b>131 697 000</b>	<b>59 487 000</b>
<b>SUM EIENDELER</b>		<b>219 927 000</b>	<b>131 153 000</b>

## BALANSE - EGENKAPITAL OG GJELD



## Balanse

Beløp i: NOK	Note	2015	2014
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
<b>Opptjent egenkapital</b>			
Annen egenkapital	7	-739 131 000	-567 953 000
<b>Sum opptjent egenkapital</b>		<b>-739 131 000</b>	<b>-567 953 000</b>
<b>Sum egenkapital</b>		<b>-739 131 000</b>	<b>-567 953 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser	10	3 238 000	552 000
Utsatt skatt			4 334 000
<b>Sum avsetninger for forpliktelser</b>		<b>3 238 000</b>	<b>4 886 000</b>
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>3 238 000</b>	<b>4 886 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		5 635 000	6 924 000
Skyldige offentlige avgifter		2 757 000	1 599 000
Kortsiktig konserngjeld		941 223 000	679 696 000
Annen kortsiktig gjeld		6 205 000	6 001 000
<b>Sum kortsiktig gjeld</b>		<b>955 820 000</b>	<b>694 220 000</b>
<b>Sum gjeld</b>		<b>959 058 000</b>	<b>699 106 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>219 927 000</b>	<b>131 153 000</b>



## EXPRO GROUP NORWAY NORSK AVDELING AV UTENLANDS ENHET

Org. nr. 980596109

<b>Kontantstrømoppstilling</b>	<b>2015</b>	<b>2014</b>
<b>Kontantstrømmer fra operasjonelle aktiviteter</b>		
Resultat før skattekostnad	-126 193	75 422
Periodens betalte skatter	41	4 122
Ordinære avskrivninger	12 378	7 064
Endring i varelager	1 782	-2 383
Endring i kundefordringer	6 267	5 761
Endring i leverandørgjeld	72	-7 212
Forskjell mellom kostnadsført pensjon og inn/-ut betalinger	-620	-2 299
Endring i andre tidsavgrensingsposter	185 827	-2 099
<b>Netto kontantstrøm fra operasjonelle aktiviteter</b>	<b>79 472</b>	<b>70 132</b>
<b>Kontantstrømmer fra investeringsaktiviteter</b>		
Innbetalinger ved salg av varige driftsmidler	13 189	24 295
Utbetalinger ved kjøp av varige driftsmidler	12 402	70 964
<b>Netto kontantstrøm fra investeringsaktiviteter</b>	<b>787</b>	<b>-46 669</b>
Netto endring i kontanter og kontantekvivalenter	80 259	23 463
<b>Beholdning av kontanter og kontantekvivalenter 1.1</b>	<b>24 454</b>	<b>991</b>
<b>Beholdning av kontanter og kontantekvivalenter 31.12</b>	<b>104 713</b>	<b>24 454</b>

### Tilleggsopplysninger

Kontanter og kontantekvivalenter består av kontanter, bank og postgiro.



Statsautoriserte revisorer  
Ernst & Young AS

Vassbotnen 11a Forus, NO-4313 Sandnes  
Postboks 8015, NO-4068 Stavanger

Foretaksregisteret: NO 976 389 387 MVA  
Tlf: +47 51 70 66 00  
Fax: +47 51 70 66 01  
www.ey.no  
Medlemmer av Den norske revisorforening

To the Management of  
Expro Group Norway NUF

## AUDITOR'S REPORT

### Report on the financial statements

We have audited the accompanying financial statements of Expro Group Norway NUF, which comprise the balance sheet as at 31 March 2015, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

#### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these 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.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements of Expro Group Norway NUF have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 March 2015 and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

**Report on other legal and regulatory requirements**


*Opinion on the Management report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Management report concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

*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 have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Stavanger, April.15th, 2016  
ERNST & YOUNG AS



Tommy Lothe  
State Authorised Public Accountant (Norway)



**Directorate of Taxes**

Inquiries to  
Torstein Kinden Helleland

Your date  
26.04.2012

Our date  
24.05.2012

Telephone  
22078139

Your reference  
Graham Watson

Our reference  
2012/354559

EXPRO GROUP NORWAY NORSK AVDELING AV  
UTENLANDS ENHET  
P.O. Box 123  
5346 ÅGOTNES

**Permission to prepare the annual accounts and director's report in English language for Expro Group Norway NUF, org. nr. 980 596 109**

Dear Mr. Graham Watson

With reference to your letter of 26 April 2012, you apply for permission to keep annual accounts and directors' report in English language. The application in question concerns Expro Group Norway NUF.

**Conclusion**

Based on a total evaluation, the view of The Directorate of Taxes is that Expro Group Norway NUF may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph.

The exemption requires that the information that the decision is based on, does not change significantly.

**Background**

Expro Group Norway NUF is part of the Expro International Group Holdings Ltd group with the head office in Reading, UK. The group has operations in all the major hydrocarbon producing areas of the world, and Petrotech AS reports to the UK head office as well as regional headquarters in Aberdeen, UK. The company's working language is English. All key players and partners in this industry speak and use English language. All communications with customers and creditors are in English. The annual report and financial statements are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

**Permission to make the annual accounts and the directors' report in Norway in English language**

According to the Norwegian Accounting Act § 3-4, third paragraph shall *"the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language"*.

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

Postal address	Visiting address	Telephone
P.O. Box 9200 Grønland	See <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>	800 80 000
0134 Oslo	Org. nr: 996250318	Telefax
For elektronisk henvendelse se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>		22 17 08 60



*"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."*

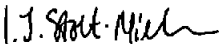
Hence, one of the main aims of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized the company is a Norwegian branch of a British company. The company's working language is English. A Norwegian translation will only be intended to meet the language requirements of the Accounting Act. Further, all key players and partners in this industry speak and use English language.

We kindly request you to mention "our reference" in all written communication with The Norwegian Tax Authorities.

Best regards

  
Inger Johanne Stolt-Nielsen  
Head of Unit  
Legal Department  
Directorate of Taxes

  
Torstein Kinden Helleland



Expro Group Norway NUF

## Annual report 2015

As at 31 March 2015

### **The nature of the business and where it is carried out**

Expro Group Norway NUF ("the Branch") supplies products and services to the oil and gas industry predominantly within the area of subsea operations offshore. The Branch operates on the Norwegian continental shelf and is a Branch of Expro North Sea Ltd ("the Company") based in Aberdeen, U.K. Expro Group Norway NUF's headquarters are located in Ågotnes.

### **Going concern**

Having considered the principal risks and uncertainties facing Expro Holdings UK 3 Limited and its subsidiaries, including Expro Group Norway NUF, (the "Group") and the current economic environment, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a period of not less than twelve months from the date of signature of the accounts. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

The Branch's revenues decreased from NOK 182,8m in 2014 to NOK 146.9m in 2015. Increased efficiency in operations and cost effective initiatives contributed to a financial results in 2015 producing an operating profit of NOK45,2m (2014: NOK 78,8m).

The Branch's managers maintain a positive outlook on the market's continuing demand for the Branch's products and services and its ability for further development and growth. They are satisfied with the level of profitability and the equity position of the Branch and believe that the statutory accounts give a true and fair view of the Branch's financial position at 31 March 2015.

### **Employment policies**

The Branch's employment policies are regularly reviewed and updated to ensure that they remain effective. The policies are designed to promote a working environment which supports the recruitment and retention of effective employees, improves productivity and fosters relationships free of discrimination. Providing all employees with access to training remains a priority.

### **Health and safety**

The health and safety of all personnel is of paramount importance to Expro. Commitment from all levels of the business supports us delivering the highest standards of safety performance. The Group has consistently outperformed industry-established standards in health and safety since March 2004.

The total sickness leave ratio in the financial year 2015 was 4.5% as a result of one employee on long term sickness.

### **Management of risks and uncertainties**

The following risks could materially affect the business of the Group of which the Branch is a part, its financial position and the results of subsidiaries' operations. Controls are put in place for the mitigation of internal risks and management seek to identify risks that are not within its control. Further risks to the Group are disclosed in the accounts of Expro Holdings UK3 Limited.

### **Oil price**

The market conditions for upstream well flow management services are closely linked to the price for oil and gas. Price is a factor of supply and demand, and in the short-term this is impacted by immediate issues such as the global economic and geopolitical environments.

In the medium to long-term, reserve levels and views on alternative energy have an impact. While short-term price is important, it is the impact of that price on the Branch's customers which has a direct impact on activity levels in the upstream oil and gas sector. The prevailing price for oil, as well as expectations in respect of future prices, will therefore directly impact the Branch's revenues, adjusted operating profit and cash flows. Weather conditions can also affect supply and therefore price.



Expro Group Norway NUF

## Annual report 2015

As at 31 March 2015

### Foreign currency risk

The Branch faces exposure to transactional foreign currency risk as a result of transactions in currencies other than its functional currency, and translational foreign currency risk on the revaluation of net monetary assets and liabilities, including working capital balances. The branch monitors its exposure to foreign exchange risk on an ongoing basis through analysis of the profile of its monetary assets and liabilities, and has a policy of natural hedging which substantially mitigates the impact of currency movements in terms of profits, cash and net assets.

### Environmental matters

Expro is committed to environmental responsibility and aims to prevent harm to the environment as a result of its operations. The environmental impacts are not those commonly associated with the oil and gas industry as the Branch and the Group are solutions providers and, therefore, not directly responsible for impacts from flaring, venting or field development. However, the Branch does provide solutions to its customers to eliminate or reduce such impacts, such as the introduction of wet gas metering and clean burn technology, as well as separation technology that has been developed to lessen impact on the environment and local communities.

### Regulatory

The general upstream oil and gas sector is subject to significant regulation which aims to ensure that the exploration, development and production of hydrocarbons are achieved in a safe and responsible manner. As a service provider, Expro is impacted by both regulation of its customers as well as regulations which directly impact its provision of products and services. Regulations on customers will impact where and how hydrocarbons could be developed and this in turn will impact the demand for Expro's well-testing and commissioning segments. Regulation of the sector and service companies can be positive as it limits the amount of direct competition experienced by Expro in a number of its product and service offerings.

### Equality

The Branch is determined to give equal opportunities to all employees regardless of their gender. However at the end of the financial year the proportion of female employees remains relatively low. This is due to the fact that the business of the Branch is traditionally male dominated and thus it may be difficult to find female candidates with a suitable background.

Gender distribution (%) amongst the Branch's employees	Women	31 %
	Men	69 %
Gender distribution (%) within the Branch's management:	Women	0 %
	Men	100 %

### Events after the balance sheet date

Events after the balance sheet date are set out in the notes to the financial statements

### Distribution of the loss

It is proposed that the loss for 2015 be distributed as follows:

Transfer to retained earnings	NOK 93,015
Transferred from share of subsidiaries' equity	-
Total distributed	NOK 93,015

The Branch has cumulative losses of NOK 739.0M transferred to other equity.

Graham G. Watson  
Signatory

Geir Gabrielsen  
Branch Managing Director

Date: April 14 2015



Expro Group Norway NUF

## Income statement

Year to 31 March 2015

	Note	31 March 2015 NOK'000	31 March 2014 NOK'000
<b>Operating revenue</b>			
Operating revenue		146,891	182,880
<b>Total revenue</b>		<u>146,891</u>	<u>182,880</u>
<b>Operating costs</b>			
Cost of goods sold		(28,017)	(40,176)
Salaries and personnel costs	2	(39,246)	(34,662)
Depreciation and impairment	3	(12,377)	(7,061)
Other operating costs		(22,766)	(22,126)
<b>Total operating costs</b>		<u>(102,406)</u>	<u>(104,025)</u>
Operating profit		<u>44,484</u>	<u>78,855</u>
<b>Financial income and expense</b>			
Other financial income/ (expense)		202	57
Other financial income / (expense)		(170,879)	(3,490)
<b>Net financial income/ (expense)</b>		<u>(170,677)</u>	<u>(3,433)</u>
Ordinary loss before tax		<u>(126,193)</u>	<u>75,422</u>
<b>Tax cost</b>			
Tax cost on ordinary profit	6	<u>33,177</u>	<u>(20,854)</u>
Net loss		<u>(93,015)</u>	<u>54,568</u>
<b>Disposals</b>			
Disposed to retained earnings		(93,015)	12,180
Group contribution		0	42,388
<b>Total disposals</b>		<u>(93,015)</u>	<u>54,568</u>



Expro Group Norway NUF

## Balance sheet

As at 31 March 2015

<b>Fixed assets</b>	<b>Note</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
		<b>NOK'000</b>	<b>NOK'000</b>
<i>Intangible assets</i>			
Deferred tax asset	6	29,729	-
Total intangible assets		29,729	-
<i>Fixed assets</i>			
Equipment and machinery	3	58,501	71,666
Total fixed assets		58,501	71,666
<b>Current assets</b>			
Inventory	8	3,953	5,735
<i>Receivables</i>			
Accounts receivable		20,698	28,039
Other receivables		2,333	1,259
Total receivables		23,031	29,298
Bank deposits	4	104,713	24,454
<b>Total current assets</b>		131,696	59,487
<b>Total assets</b>		219,926	131,153




Expro Group Norway NUF

## Balance sheet

As at 31 March 2015

	Note	31 March 2015 NOK'000	31 March 2014 NOK'000
<b>Equity</b>			
<i>Earned equity</i>			
Other equity	7	(739,131)	(567,953)
Total equity		<u>(739,131)</u>	<u>(567,953)</u>
<b>Liabilities</b>			
<i>Reserves for liabilities</i>			
Pensions	10	3,238	552
Deferred tax liability		<u>0</u>	<u>4,334</u>
Total reserves for liabilities		<u>3,238</u>	<u>4,886</u>
<i>Short term liabilities</i>			
Accounts payable		5,635	6,925
Employee taxes and VAT		2,757	1,599
Tax payable		-	-
Intercompany accounts payable		941,223	679,696
Other short term liabilities		<u>6,205</u>	<u>6,001</u>
Total short term liabilities		<u>955,819</u>	<u>694,220</u>
Total liabilities		<u>959,057</u>	<u>699,106</u>
Total equity and liabilities		<u><u>219,926</u></u>	<u><u>131,153</u></u>

  
Graham G. Watson  
Signatory

  
Geir Gabrielsen  
Branch Managing Director

Date: April 14 2016



Expro Group Norway NUF

## Cash flow

Year to 31 March 2015

	31 March 2015	31 March 2014
	NOK'000	NOK'000
<i>Cash flow from operating activities</i>		
Ordinary (loss)/profit before tax	(126,193)	75,422
Taxes paid	(41)	(4,122)
Depreciations	12,378	7,064
Movements in Intercompany	185,827	(2,099)
Decrease in inventory	1,782	(2,383)
Change in accounts receivable	6,267	5,761
Decrease of accounts payable	72	(7,212)
Change in pension liabilities	(620)	(2,299)
Net cash flow from operating activities	<u>79,472</u>	<u>70,132</u>
<i>Cash flow from investing activities</i>		
Outgoing payment from acquisition of fixed assets	(12,402)	(70,964)
Incoming payment from disposal of fixed assets	<u>13,189</u>	<u>24,295</u>
Net cash flow from investing activities	<u>787</u>	<u>(46,669)</u>
Net change in cash and bank deposits	80,259	23,463
Cash at bank at beginning of year	24,454	991
Cash at bank at end of year	104,713	24,454



Expro Group Norway NUF

## Notes to the financial statements

As at 31 March 2015

### Information about the Branch

The statutory accounts are prepared in accordance with the relevant Norwegian accounting laws and generally accepted accounting standards. The Branch was founded on 22 March 1999 as a Branch of Expro North Sea Limited, a company incorporated in England and Wales. The Branch has adopted the same financial year as its parent company which runs from 01 April to 31 March.

The parent undertaking of the smallest group for which consolidated accounts are prepared and which include the Branch is Expro Holdings UK3 Limited. Copies of the financial statements of this company can be obtained from the company secretary at its registered address; C/O Expro International Group, First Floor, Davidson House, Forbury Square, Reading, Berkshire, RG1 3EU UK. In the opinion of the directors of Expro North Sea Ltd, the Branch's ultimate parent company and ultimate controlling party is Umbrellastream Limited Partnership incorporated, an entity incorporated in Guernsey.

### Note 1: Accounting principles

#### Income recognition

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

#### *Rendering of services*

Revenue from the provision of well flow management services is recognised on a time and material basis in the period in which the services are provided with reference to the contract.

#### *Sale of goods*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

#### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided once an asset is placed into operational service and, other than land, is on a straight-line basis over its expected useful life as follows:

Plant and equipment - 3 to 12 years

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

#### Inventory

The Branch holds inventories to maintain its equipment as well as holding inventories for sale to customers. In both cases, inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and overheads that have been incurred in bringing the inventories to their current location and condition which are calculated using the average cost method. Net realisable value represents either the value-in-use or the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently carried at the lower of their original invoiced value and recoverable amount, which due to the short maturity period of trade receivables



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## Notes to the financial statements

As at 31 March 2015

approximates to amortised cost. Provision is made when there is objective evidence that the Branch will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

### Trade payables

Trade payables are measured at initial recognition at fair value and are subsequently carried at book value which, due to the short maturity period of trade payables, approximates to amortised cost.

### Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the monthly average rate at the date of the transaction.

### Pensions

The company operates an insured defined benefit plan; the accounting of pensions is based on a linear earnings profile and expected final salaries for the population. Changes to the plan are recognized in reserves.

### Tax

The tax cost in the profit and loss statement consists of both the tax payable and the change in deferred taxes. Deferred taxes are calculated at 27% on the basis of temporary differences between accounting and tax values and tax losses carried forward at the closing of the financial year. Tax increasing and tax reducing temporary differences including tax losses carried forward which will reverse or may reverse in the same period are matched and presented using the net method.

### Events after the balance sheet date

#### Pensions

On 11 August 2015 it was decided by the Board of Directors to close the defined benefit plan on 30 September 2015 and move all employees to a defined contribution plan.

#### Transfer of business between Expro North Sea Limited and Expro Norway AS

On 31 March 2016 the Company entered into an agreement to sell the Norwegian business of Expro North Sea Ltd (the "business") to Expro Norway AS. The Business that was transferred as of 31 March 2016 has an estimated market value of NOK 47,099,419

## Note 2: Personnel costs

	Year to March 2015 NOK'000	Year to March 2014 NOK'000
Salaries	31,329	31,073
Employer's tax	5,379	4,654
Pension cost	844	(1,373)
Other benefits	1,694	308
	<b>38,466</b>	<b>34,662</b>
Average number of employees	<b>39</b>	<b>39</b>



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## Notes to the financial statements

As at 31 March 2015

There was no share save scheme in place at the end of the financial year giving employees the right to buy shares in the Company.

The cost for the external auditor was NOK 79k (2014: NOK 109k) for audit and NOK 72k (2014: NOK 473k) for other services excluding MVA.

### Note 3: Property, plant and equipment

	<b>Plant and equipment NOK'000</b>
Cost 01 April 2014	69,641
Acquisitions	12,402
Disposals	(40,529)
<b>Cost 31 March 2015</b>	<b>41,514</b>
Accumulated Depreciation 01 April 2014	(2,025)
Depreciation charge	12,378
Disposals	(27,340)
Impairment	-
<b>Accumulated Depreciation 31 March 2014</b>	<b>(16,987)</b>
<b>Net book value 31 March 2015</b>	<b>58,501</b>
Net book value 31 March 2014	71,666

### Note 4: Restricted reserves

In cash deposits there are restricted reserves of NOK 670,856 (2014: NOK 976,819) for employee taxes as at 31 March 2015.

### Note 5: Related party transactions

During the year the Company has billed NOK 54,911k revenue (2014: NOK 1,146k) and NOK Nil (2013: NOK Nil) of interest to other companies in the Group. The Company has been billed NOK 48,124k cost (2014: NOK 384k), NOK Nil in interest (2014: NOK Nil) and management charges of NOK 10,450k (2014: NOK 9,218k) by other companies in the Group in the year to March 2015.



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## Notes to the financial statements

As at 31 March 2015

### Note 6: Tax

	Year to March 2015 NOK'000	Year to March 2014 NOK'000
<b>Specification of temporary differences</b>		
Differences which may reverse:		
Fixed assets	16,811	17,217
Pension liability	(948)	(552)
Inventory provision	(3,238)	(614)
Tax Losses	(122,734)	
Total	(110,109)	16,051
<b>Net deferred tax liability/(asset)</b>	<b>(29,729)</b>	<b>4,334</b>
<b>Tax cost in the income statement</b>		
Ordinary loss before tax	(126,193)	75,422
Permanent differences	33	1
Change in temporary differences	126,160	(17,357)
Intercompany contribution	0	(58,066)
Basis for tax payable	-	-
Tax payable	-	-
Tax cost on intercompany contribution	0	15,678
Tax Payable	-	-
Change in deferred tax	(34,023)	4,699
Deferred tax on actuarial gain/loss to equity	846	477
<b>Tax cost</b>	<b>(33,177)</b>	<b>20,854</b>
<b>Reconciliation of tax cost</b>		
Ordinary profit before tax	(126,193)	75,422
Expected income tax based on nominal tax rate (27%)	(34,072)	20,364
Tax effect of permanent differences	49	13
Prior year adjustment to deferred tax	-	-
Deferred tax on actuarial gain/loss to equity	846	477
<b>Tax Cost</b>	<b>(33,178)</b>	<b>20,854</b>
Effective rate	26%	28%



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## Notes to the financial statements

As at 31 March 2015

### Note 7: Equity

	Retained Earnings NOK'000
<b>Equity at 01 April 2014</b>	<b>(567,953)</b>
Loss for the year	(93,015)
Actuarial losses charged to reserves	(2,462)
Contribution to Expro Holdings Norway AS	(75,700)
<b>Equity at 31 March 2015</b>	<b>(739,131)</b>

### Note 8: Inventory

The Company holds inventories to maintain its equipment as well as holding inventories for sale to customers. In both cases, inventories are stated at the lower of cost and net realisable value.

	NOK'000
Inventory book value	4,901
Reserve for obsolescence	(948)
<b>Net inventory as at 31 March 2015</b>	<b>3,953</b>

### Note 9: Guarantee obligations

The Group's debt, of which the Company's debt forms part, is secured in favour of the lenders by way of direct charges over material assets and Intellectual property; share pledges over all material subsidiaries and guarantees from all material subsidiaries, including Expro North Sea Limited. This security is provided in favour of HSBC, as "Collateral Agent" to our lenders.

### Note 10: Pensions

#### Insured schemes

The Branch has a defined benefit plan for all employees. The plan entitles the employees to receive defined benefits in future. These are dependent upon years of service, salary level and the increase in the basic amount provided by the social security system. The pension scheme is in accordance with the Norwegian Pension Act and the liabilities are insured through an insurance company.

Year to

Year to



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## Notes to the financial statements

As at 31 March 2015

	March 2015 NOK'000	March 2014 NOK'000
<b>Annual pension cost</b>		
Present value of current year's earnings	1,663	1,049
Interest cost on assets	269	157
Expected return on assets	(202)	(57)
<b>Net periodic pension cost</b>	<b>1,730</b>	<b>1,149</b>
Employer's tax	290	426
<b>Net periodic pension cost including employer's tax</b>	<b>2,020</b>	<b>1,575</b>

	Year to March 2015 NOK'000	Year to March 2014 NOK'000
<b>Change in defined benefit obligation</b>		
Net obligation at 01 April	552	1,084
Net periodic pension cost	1,730	1,149
Paid in premium including employer's tax	(2,351)	(3,447)
Accumulated losses and (gains) recognised in reserves	3,307	1,766
<b>Net obligation at 31 March</b>	<b>3,238</b>	<b>552</b>

<b>Balance sheet pension provisions</b>		
Pension liabilities	10,023	6,595
Fair value of assets	(6,785)	(6,043)
<b>Pension obligation (net)</b>	<b>3,238</b>	<b>552</b>



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## Notes to the financial statements

As at 31 March 2015

### Economic Indicators:

Number of members in the scheme	37	37
Average age	35,5	35,5
Amortisation index (expected remaining years of service)	21	21
Expected return on assets	4,0%	4,0%
Discount rate	4,0%	4,1%
Rate of compensation increase	3,75%	3,75%
Increase of social security base amount	3,75%	3,75%
Rate of pension increase	0,6%	0,6%
Payroll tax	14,1%	14,1%