



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2016 - 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:	01.04.2015 - 31.03.2016
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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:	09.03.2017

Grunnlag for avgivelse

År 2016: Årsregnskapet er elektronisk innlevert
År 2015: Tall er hentet fra elektronisk innlevert årsregnskap fra 2016

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	2016	2015
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		94 449 000	137 969 000
Sum inntekter		94 449 000	137 969 000
Kostnader			
Varekostnad		25 460 000	19 098 000
Lønnskostnad	2	30 604 000	39 246 000
Avskrivning	3	9 491 000	12 377 000
Annen driftskostnad		16 797 000	22 766 000
Sum kostnader		82 352 000	93 487 000
Driftsresultat		12 097 000	44 482 000
Finansinntekter og finanskostnader			
Annen finansinntekt			202 000
Sum finansinntekter			202 000
Annen rentekostnad		44 000	
Annen finanskostnad		4 516 000	170 879 000
Sum finanskostnader		4 560 000	170 879 000
Netto finans		-4 560 000	-170 677 000
Ordinært resultat før skattekostnad		7 537 000	-126 195 000
Skattekostnad på ordinært resultat	6	29 801 000	-33 177 000
Ordinært resultat etter skattekostnad		-22 264 000	-93 018 000
Årsresultat		-22 264 000	-93 018 000
Overføringer og disponeringer			
Overføring til/fra annen egenkapital		-22 264 000	-93 015 000
Sum overføringer og disponeringer		-22 264 000	-93 015 000



Balanse

Beløp i: NOK	Note	2016	2015
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6		29 729 000
Sum immaterielle eiendeler			29 729 000
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner	3		58 501 000
Sum varige driftsmidler			58 501 000
Sum anleggsmidler		0	88 230 000
Omløpsmidler			
Varer			
Varer	8	36 000	3 953 000
Sum varer		36 000	3 953 000
Fordringer			
Kundefordringer		5 223 000	20 698 000
Andre fordringer		1 285 000	2 333 000
Sum fordringer		6 508 000	23 031 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	4	6 978 000	104 713 000
Sum bankinnskudd, kontanter og lignende		6 978 000	104 713 000
Sum omløpsmidler		13 522 000	131 697 000
SUM EIENDELER		13 522 000	219 927 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			



Balanse

Beløp i: NOK	Note	2016	2015
Opptjent egenkapital			
Annen egenkapital	7	-760 566 000	-739 131 000
Sum opptjent egenkapital		-760 566 000	-739 131 000
Sum egenkapital		-760 566 000	-739 131 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	10		3 238 000
Sum avsetninger for forpliktelser			3 238 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	3 238 000
Kortsiktig gjeld			
Leverandørgjeld		1 495 000	5 635 000
Skyldige offentlige avgifter		844 000	2 757 000
Kortsiktig konserngjeld	5	770 486 000	941 223 000
Annen kortsiktig gjeld		1 263 000	6 205 000
Sum kortsiktig gjeld		774 088 000	955 820 000
Sum gjeld		774 088 000	959 058 000
SUM EGENKAPITAL OG GJELD		13 522 000	219 927 000



EXPRO GROUP NORWAY NORSK AVDELING AV UTENLANDS ENHET

Org. nr. 980596109

Kontantstrømoppstilling	2016	2015
Kontantstrømmer fra operasjonelle aktiviteter		
Resultat før skattekostnad	7 537	-126 193
Periodens betalte skatter	0	41
Ordinære avskrivninger	9 491	12 378
Endring i varelager	3 916	1 782
Endring i kundefordringer	16 523	6 267
Endring i leverandørgjeld	-11 069	72
Forskjell mellom kostnadsført pensjon og inn/-ut betalinger	-2 409	-620
Endring i andre tidsavgrensingsposter	-170 737	185 827
Netto kontantstrøm fra operasjonelle aktiviteter	-146 748	79 472
Kontantstrømmer fra investeringsaktiviteter		
Innbetalinger ved salg av varige driftsmidler	49 013	13 189
Utbetalinger ved kjøp av varige driftsmidler	0	12 402
Netto kontantstrøm fra investeringsaktiviteter	49 013	787
Netto endring i kontanter og kontantekvivalenter	-97 735	80 259
Beholdning av kontanter og kontantekvivalenter 1.1	104 713	24 454
Beholdning av kontanter og kontantekvivalenter 31.12	6 978	104 713

Tilleggsopplysninger

Kontanter og kontantekvivalenter består av kontanter, bank og postgiro.



Building a better
working world

Statsautoriserte revisorer
Ernst & Young AS

Vassbotnen 11a Forus, NO-4313 Sandnes
Postboks 8015, NO-4088 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 2016, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

The Management's responsibility for the financial statements

Management are 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 the Management determine 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 2016 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 and the going concern assumption 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 the 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.

Emphasis of matter

The financial statements have been issued and approved after the statutory deadline according to Norwegian laws and regulations

Stavanger, 15 March 2017
ERNST & YOUNG AS

Erik Søreng
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 www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefax
For elektronisk henvendelse se www.skatteetaten.no		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."

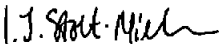
Hence, one of the main aims of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

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 2016

As at 31 March 2016

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

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 with a market value of NOK 22,398,738. There will be no further operational activity in the business after 31 March 2016.

The Branch's revenues decreased from NOK 137,9m in 2015 to NOK 94,4m in 2016. Current market conditions with low oil price resulting in a reduction in activity was the main driver, which changed the Company's operating profit of NOK44,4m in 2015 to an operating profit of NOK12,1m in 2016.

The branch operations in FY17 will be limited to reporting purposes only. A letter of support from Expro North Sea Ltd has been provided to ensure continued operations in FY17.

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 2016 was 7,29% 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.

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.



Expro Group Norway NUF

Annual report 2016

As at 31 March 2016

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 %

Distribution of the loss

It is proposed that the loss for 2016 be distributed as follows:

Transfer from retained earnings	NOK 22,264
Transferred from share of subsidiaries' equity	-
Total distributed	NOK 22,264

The Branch has cumulative losses of NOK 761m transferred to other equity.

Graham G. Watson
Signatory

Geir Gabrielsen
Branch Managing Director

Date: MARCH 9 2017



Expro Group Norway NUF

Income statement

Year to 31 March 2016

	Note	31 March 2016 NOK'000	31 March 2015 NOK'000
Operating revenue			
Operating revenue		94,449	137,969
Total revenue		<u>94,449</u>	<u>137,969</u>
Operating costs			
Cost of goods sold		(25,460)	(19,098)
Salaries and personnel costs	2	(30,604)	(39,246)
Depreciation and impairment	3	(9,491)	(12,377)
Other operating costs		(16,797)	(22,766)
Total operating costs		<u>(82,352)</u>	<u>(93,487)</u>
Operating profit		<u>12,097</u>	<u>44,484</u>
Financial income and expense			
Other financial income/ (expense)		(44)	202
Other financial income / (expense)		(4,516)	(170,879)
Net financial income/ (expense)		<u>(4,560)</u>	<u>(170,677)</u>
Ordinary profit before tax		<u>7,537</u>	<u>(126,193)</u>
Tax cost			
Tax cost on ordinary profit	6	(29,801)	33,177
Net loss		<u>(22,264)</u>	<u>(93,015)</u>
Disposals			
Disposed to retained earnings		(22,264)	(93,015)
Total disposals		<u>(22,264)</u>	<u>(93,015)</u>



Expro Group Norway NUF

Balance sheet

As at 31 March 2016

Fixed assets	Note	31 March 2016	31 March 2015
		NOK'000	NOK'000
<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
Total fixed assets		-	58,501
Current assets			
Inventory	8	36	3,953
<i>Receivables</i>			
Accounts receivable		5,223	20,698
Other receivables		1,285	2,333
Total receivables		6,508	23,031
Bank deposits	4	6,978	104,713
Total current assets		13,522	131,696
Total assets		13,522	219,926



Expro Group Norway NUF

Balance sheet

As at 31 March 2016

	Note	31 March 2016 NOK'000	31 March 2015 NOK'000
Equity			
<i>Earned equity</i>			
Other equity	7	(760,566)	(739,131)
Total equity		(760,566)	(739,131)
Liabilities			
<i>Reserves for liabilities</i>			
Pensions	10	-	3,238
Total reserves for liabilities		-	3,238
<i>Short term liabilities</i>			
Accounts payable		1,495	5,635
Employee taxes and VAT		844	2,757
Intercompany accounts payable	5	770,486	941,223
Other short term liabilities		1,263	6,205
Total short term liabilities		774,088	955,819
Total liabilities		774,088	959,057
Total equity and liabilities		13,522	219,926

Graham G. Watson
Signatory

Geir Gabrielsen
Branch Managing Director

Date: MARCH 9 2017



Expro Group Norway NUF

Cash flow

Year to 31 March 2016

	31 March 2016	31 March 2015
	NOK'000	NOK'000
<i>Cash flow from operating activities</i>		
Ordinary (loss)/profit before tax	7,537	(126,193)
Taxes paid	-	(41)
Depreciations	9,491	12,378
Movements in Intercompany	(170,737)	185,827
Decrease in inventory	3,916	1,782
Change in accounts receivable	16,523	6,267
Decrease of payable	(11,069)	72
Change in pension liabilities	(2,409)	(620)
Net cash flow from operating activities	(146,748)	79,472
<i>Cash flow from investing activities</i>		
Outgoing payment from acquisition of fixed assets		(12,402)
Incoming payment from disposal of fixed assets	49,013	13,189
Net cash flow from investing activities	49,013	787
Net change in cash and bank deposits	(97,735)	80,259
Cash at bank at beginning of year	104,713	24,454
Cash at bank at end of year	6,978	104,713



Expro Group Norway NUF

Notes to the financial statements

As at 31 March 2016

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 Expro Group International Holdings Limited, an entity incorporated in UK.

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 with a market value of NOK 22,398,738. There will be no further operational activity in the business going forward.

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.



Expro Group Norway NUF

Notes to the financial statements

As at 31 March 2016

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 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 25% 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.

Note 2: Personnel costs

	Year to March 2016 NOK'000	Year to March 2015 NOK'000
Salaries	24,337	31,329
Employer's tax	5,158	5,379
Pension cost	(224)	844
Other benefits	1,333	1,694
	30,604	39,246
Average number of employees	36	39

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 251k (2015: NOK 79k) for audit and NOK 228k (2015: NOK 72k) for other services excluding MVA.



Expro Group Norway NUF

Notes to the financial statements

As at 31 March 2016

Note 3: Property, plant and equipment

	Plant and equipment NOK'000
Cost 01 April 2015	41,514
Acquisitions	316
Disposals	(41,830)
Cost 31 March 2016	-
Accumulated Depreciation 01 April 2015	(16,989)
Depreciation charge	9,206
Disposals	7,498
Impairment	285
Accumulated Depreciation 31 March 2016	-
Net book value 31 March 2016	-
Net book value 31 March 2015	58,501

The Norwegian business of Expro North Sea Ltd sold machinery and equipment to Expro Norway AS as of 31 March 2016 with a net book value of NOK 24,705

Note 4: Restricted reserves

In cash deposits there are restricted reserves of NOK 571,033 (2014: NOK 670,856) for employee taxes as at 31 March 2016.

Note 5: Related party transactions

During the year the Company has billed NOK 32,2m revenue (2015: NOK 54,9m) and NOK Nil (2015: NOK Nil) of interest to other companies in the Group. The Company has been billed NOK 15,4m cost (2015: NOK 48,1m), NOK Nil in interest (2015: NOK Nil) and management charges of NOK 7,5m (2015: NOK 10,5m) by other companies in the Group in the year to March 2016.



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Notes to the financial statements

As at 31 March 2016

Note 6: Tax

	Year to March 2016 NOK'000	Year to March 2015 NOK'000
Specification of temporary differences		
Differences which may reverse:		
Fixed assets	-	16,811
Pension liability	-	(948)
Inventory provision	-	(3,238)
Temporary differences before loss	-	12,625
Accumulated tax loss	(102,541)	(122,734)
Total	(102,541)	(110,109)
Net deferred tax liability/(asset)	(25,635)	(29,729)
Tax cost in the income statement		
Ordinary profit before tax	7,537	(126,193)
Permanent differences	31	33
Change in temporary differences	(7,568)	126,160
Basis for tax payable	-	-
Foreign tax payable	21	-
Tax payable	21	-
Change in deferred tax	29,733	(34,023)
Deferred tax on actuarial gain/loss to equity	47	846
Tax cost	29,801	(33,177)



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Notes to the financial statements

As at 31 March 2016

Reconciliation of tax cost

Ordinary profit before tax	7,537	(126,193)
Expected income tax based on nominal tax rate (25%)	1,884	(34,072)
Tax effect of permanent differences	8	49
Prior year adjustment to deferred tax	2,202	-
Timing differences	(1,892)	-
Derecognition of deferred tax balances in the year	27,531	-
Deferred tax on actuarial gain/loss to equity	47	846
Foreign tax payable	21	-
Tax Cost	29,801	(33,178)
Effective rate	395%	26%

Deferred tax asset has not been recognised due to uncertainty in utilization of the accumulated tax losses.

Note 7: Equity

	Retained Earnings NOK'000
Equity at 01 April 2015	(739,131)
Loss for the year	(22,264)
Actuarial gains / losses charged to reserves	829
Equity at 31 March 2016	(760,566)

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	36
Reserve for obsolescence	-
Net Inventory as at 31 March 2016	36



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Notes to the financial statements

As at 31 March 2016

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

The Company operates an uninsured defined contribution plan for 36 employees. All members in the insured defined contribution plan were moved to the uninsured contribution plan effective 30 September 2015. The pension scheme is operated in accordance with the Norwegian Pension Act.