

**AKER ENGINEERING MALAYSIA LTD**  
**(formerly Qserv Pipeline & Process Limited)**

**DIRECTORS' REPORT**  
**AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**COMPANY REGISTRATION NUMBER: 750847**

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**AKER ENGINEERING MALAYSIA LTD**

**CONTENTS**

	<b>pages</b>
<b>Directors' Report</b>	<b>2 - 3</b>
<b>Statement of Directors' Responsibilities</b>	<b>4</b>
<b>Independent Auditor's Report</b>	<b>5 - 6</b>
<b>Profit and Loss Account</b>	<b>7</b>
<b>Balance Sheet</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9 - 13</b>

## **AKER ENGINEERING MALAYSIA LTD**

### **DIRECTORS' REPORT**

The directors present their directors' report and financial statements for the year ended 31st December 2014.

On 13th January 2014, the company changed its name from Qserv Pipeline & Process Limited to Aker Engineering Malaysia Ltd.

In 2014, Aker Solutions was split into two companies, Akastor and (new) Aker Solutions. The split process comprised a series of restructuring transactions culminating with a demerger of the former ultimate parent company under which the new Aker Solutions business was spun-off to a new parent company to form a new company group. The said demerger, effective as of September 26, 2014 separated the Akastor and (new) Aker Solutions businesses into two separate and independent company groups. The ultimate parent company of the Akastor group is Akastor ASA (Norway). The ultimate parent company of the (new) Aker Solutions group is Aker Solutions ASA (Norway). Both parent companies are listed on the Oslo Stock Exchange.

As part of the pre-split restructuring exercises, all the shares of Aker Engineering Malaysia Ltd were transferred to Aker Solutions Holding AS under a demerger of the former shareholder, Aker Solutions AS. The effective date of such demerger, and consequently the share transfer, was September 9, 2014. Aker Solutions Holding AS is a direct subsidiary of Aker Solutions ASA.

### **Principal activities and review**

The Company is an investment holding company whose principal activity is that of holding shares in an Aker Solutions Group company.

As the Company is a holding company within the Aker Solutions Group, the Company is, to a limited degree, exposed to financial risks. The main financial risk to the Company is foreign exchange risk related to the investment (shares) held in its subsidiary. Risk management is carried out by Group Treasury which is a central department identifying, evaluating and hedging financial risks under policies approved by the Board of Directors. Generally Aker Solutions does not hedge net investments in subsidiaries.

The £1,316,017 owed by fellow subsidiary undertakings is considered to be very secure as the debtor companies are part of the Aker Group, a listed Norwegian Group.

The business risk of the Company relates to the performance of its subsidiary, details of which are contained in the published financial statements of that entity.

### **Results**

The results for the year are set out in the Profit and Loss account on page 7. The loss for the year after taxation was £6,241 (2013: profit of £378,834).

### **Proposed dividend**

The directors do not propose to recommend the payment of any dividends on the issued ordinary share capital of the company in respect of the year ended 31st December 2014 (Year ended 31st December 2013 - £Nil).

**AKER ENGINEERING MALAYSIA LTD**

**DIRECTORS' REPORT (continued)**

**Directors**

The directors who held office during the year and at the date of this report were as follows:

M.M. Aamodt

C Sveen (resigned 16 May 2014)

**Political and charitable contributions**

The company made no political contributions or charitable donations during the year (year ended 31st December 2013 - £ Nil).

**Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Signed on behalf of the Board



M.M. Aamodt  
Director

Date: 9 March 2015

Registered Office:  
1 Park Row  
Leeds  
LS1 5AB

**AKER ENGINEERING MALAYSIA LTD**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF  
THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Aker Engineering Malaysia Limited**

We have audited the financial statements of Aker Engineering Malaysia Limited for the year ended 31 December 2014 set out on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **INDEPENDENT AUDITOR'S REPORT (continued)**

**To the Members of Aker Engineering Malaysia Limited**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Mick Thompson (Senior Statutory Auditor)**

for and on behalf of KPMG LLP, Statutory Auditor

*Chartered Accountants*

Quayside House

110 Quayside

Newcastle upon Tyne

NE1 3DX

Date: 24 March 2015

**AKER ENGINEERING MALAYSIA LTD**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014**

		Year ended <u>31.12.2014</u> £000	Year ended <u>31.12.2013</u> £000
	Note		
Other operating expenses		(15)	(15)
<b>OPERATING LOSS</b>		(15)	(15)
Interest receivable and similar income	2	7	18
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	(8)	3
Tax on (loss) / profit on ordinary activities	5	2	376
<b>(LOSS) / PROFIT FOR THE FINANCIAL YEAR</b>	10	(6)	379

The notes on pages 9 to 13 form part of these financial statements.

There is no difference between the (loss) / profit on ordinary activities before taxation and the retained (loss) / profit for the year stated above and their historical cost equivalents.

All of the above results are related to continuing operations.

There are no recognised gains or losses other than those included in the results above.



**AKER ENGINEERING MALAYSIA LTD**

**BALANCE SHEET AT 31 DECEMBER 2014**

	Note	<u>31.12.2014</u>		<u>31.12.2013</u>	
		£000	£000	£000	£000
<b>FIXED ASSETS</b>					
Investment in subsidiary undertaking	6	<u>205</u>	205	<u>205</u>	205
<b>CURRENT ASSETS</b>					
Debtors	7	1 318		1 323	
<b>CREDITORS</b>					
Amounts falling due within one year	8	<u>(9)</u>		<u>(8)</u>	
<b>NET CURRENT ASSETS</b>			<u>1 309</u>		<u>1 315</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1 514		1 520
<b>NET ASSETS</b>			<u>1 514</u>		<u>1 520</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		1 000		1 000
Profit and loss account	10		514		520
<b>SHAREHOLDERS' FUNDS</b>	11		<u>1 514</u>		<u>1 520</u>

The notes on pages 9 to 13 form part of these financial statements.

These financial statements were approved by the Board of Directors on 9 March 2015 and were signed on its behalf by :-



M Aamodt  
Director  
Company Registration Number: 750847

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

**(a) Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

The directors consider that it remains appropriate to prepare these financial statements on a going concern basis, given the company has sufficient resources to continue in existence for the foreseeable future.

**(b) Cash flow statement**

The company has taken advantage of the exemption under the rules of FRS 1 (revised) not to produce a cash flow statement. The appropriate amounts have been included in the consolidated accounts of Aker Solutions ASA, a company registered in Norway, which produces consolidated accounts which incorporate the results of Aker Engineering Malaysia Limited and are publicly available.

**(c) Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

**(d) Fixed asset investments**

Investment, including shares in associated and subsidiary undertakings are stated at cost less amounts written off.

**(e) Taxation**

The credit or charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

**AKER ENGINEERING MALAYSIA LTD**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. Interest receivable and similar income**

Interest receivable and similar income :

	Year ended 31.12.2014 £000	Year ended 31.12.2013 £000
Intragroup interest	7	5
Other interest	-	13
	<u>7</u>	<u>18</u>

**3. (Loss) / Profit on ordinary activities before taxation**

The (Loss) / Profit on ordinary activities before taxation  
is stated after charging:

Auditor's remuneration :	<u>3</u>	<u>4</u>
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**4. Directors' emoluments and employee costs**

None of the directors of the company received any emoluments during the year (2013: £Nil).  
The number of directors who were members of a defined benefits pension scheme was nil  
(2013: Nil). The company had no employees during the year (2013: Nil).

**AKER ENGINEERING MALAYSIA LTD**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**5. Taxation**

Analysis of credit in period

	Year ended <u>31.12.2014</u> £000	Year ended <u>31.12.2013</u> £000
<i>Current tax reconciliation</i>		
(Loss) / Profit on ordinary activities before taxation	<u>(8)</u>	<u>3</u>
Current tax at 21.5% (2013 - 23.25%)	(2)	-
<i>Effects of</i>		
Prior year adjustments	0	(376)
Total current tax credit	<u>(2)</u>	<u>(376)</u>

*Factors that may affect future current and total tax charges*

The main rate of UK corporation tax changed from 23% to 21% on 1 April 2014. A further reduction in the main rate of UK corporation tax, by 1% to 20% by 1 April 2015, became substantively enacted in July 2013 and therefore the effect of these rate reductions on the tax balances as at 31 December 2014 has been included in the figures above.

**6. Fixed asset investments**

Investments in subsidiary undertakings

The company's investment in its subsidiary undertaking is made up as follows:

	<u>Cost and Net</u> <u>Book Value</u> £000
At 31 December 2013 and 2014	<u>205</u>

<u>Name of undertaking</u>	<u>Percentage and</u> <u>class of shares</u>	<u>Main activity</u>	<u>Country of</u> <u>Incorporation</u>
Aker Engineering Malaysia Sdn Bhd	90% ordinary	Engineering	Malaysia

**AKER ENGINEERING MALAYSIA LTD**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**7. Debtors: amounts falling due within one year**

	<u>31.12.2014</u> £000	<u>31.12.2013</u> £000
Amounts owed by group undertakings	1,316	1,323
Other debtors	<u>2</u>	<u>-</u>
	<u><u>1,318</u></u>	<u><u>1,323</u></u>

**8. Creditors: amounts falling due within one year**

	<u>31.12.2014</u> £000	<u>31.12.2013</u> £000
Other creditors and accruals	<u>9</u>	<u>8</u>

**9. Called up share capital**

	<u>31.12.2014</u> £000	<u>31.12.2013</u> £000
Allotted, called up and fully paid : 1,000,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u><u>1,000</u></u>	<u><u>1,000</u></u>

**10. Reserves**

	<u>Profit and loss account</u> £000
As at 1st January 2014	520
Profit for the year	<u>(6)</u>
As at 31st December 2014	<u><u>514</u></u>

**11. Reconciliation of movements in shareholders' funds**

	<u>31.12.2014</u> £000	<u>31.12.2013</u> £000
Retained (loss) / profit for the financial year	<u>(6)</u>	<u>379</u>
Net (decrease) / increase in shareholders' funds	<u>(6)</u>	<u>379</u>
Opening shareholders' funds	<u>1,520</u>	<u>1,141</u>
Closing shareholders' funds	<u><u>1,514</u></u>	<u><u>1,520</u></u>

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **12. Ultimate parent company**

The company's immediate parent company is Aker Solutions AS. The only group in which the results of the Company are consolidated is that headed by Aker Solutions ASA, a public listed company incorporated in Norway. The consolidated financial statements of this group are available to the public and may be obtained from the group's website [www.akersolutions.com](http://www.akersolutions.com) or by contacting the company's offices at Frontica, 15 Falcon Court, Preston Farm Industrial Estate, Stockton on Tees TS18 3TU.