

**DSND Subsea Ltd**

**Directors' report and financial statements**

**For the year ended 31 December 2011**

**Registered Number 01005947**

FRIDAY



\*A11F7KQZ\*

A10

28/09/2012

#490

COMPANIES HOUSE

# **DSND Subsea Ltd**

## **Directors' report and financial statements for the year ended 31 December 2011**

### **Contents**

Directors and advisors . . . . .	1
Directors' report for the year ended 31 December 2011 . . . . .	2
Independent auditors' report to the members of DSND Subsea Ltd . . . . .	4
Profit and loss account for the year ended 31 December 2011 . . . . .	6
Balance sheet as at 31 December 2011 . . . . .	7
Notes to the financial statements for the year ended 31 December 2011 . . . . .	8

# **DSND Subsea Ltd**

## **Directors and advisors**

### **Directors**

D B Lie

T Sorensen

### **Secretary and registered office**

Charles Bondi

c/o Star Reefers UK Ltd

30 Charles II Street

London

SW1Y 4AE

England

### **Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

32 Albyn Place

Aberdeen

AB10 1YL

# **DSND Subsea Ltd**

## **Directors' report for the year ended 31 December 2011**

The directors present their report and the audited financial statements for the company for the year ended 31 December 2011.

### **Principal activity and review of business**

The trade and activities of the company were transferred to the Subsea 7 group in May 2002. The residual activities of the company comprise the settlement of remaining liabilities and recovery of outstanding assets. The directors expect that these activities will continue in a similar manner in 2012. The report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The profit and loss account for the year is set out on page 6.

### **Results and dividends**

The company's loss for the year was £4,071 (2010 loss £78,233). The directors do not propose payment of a dividend for the current year (2010 Nil). No dividends were received in 2011 (2010 £ Nil).

### **Going Concern**

A letter of support has been received from the ultimate parent undertaking. Therefore, the directors consider that the parent company will be able to provide the necessary financial support to the company for at least the period of 12 months from the date of this report. For this reason the directors believe that the company is a going concern and these financial statements have been prepared on that basis.

### **Directors and company secretaries**

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

D B Lie  
C Bondi (company secretary)  
T Sorensen

### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statement in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, 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 loss of the company for the period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **DSND Subsea Ltd**

### **Directors' report for the year ended 31 December 2011 (continued)**

#### **Disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

#### **Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting

**By order of the Board**



**D B Lie**  
**Director**

**26 September 2012**

## **DSND Subsea Ltd**

### **Independent auditors' report to the members of DSND Subsea Ltd**

We have audited the financial statements of DSND Subsea Ltd for the year ended 31 December 2011 which comprises the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of directors' responsibilities set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other 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.

#### **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

## **DSND Subsea Ltd**

### **Independent auditors' report to the members of DSND Subsea Ltd (continued)**

- 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



Kevin Reynard (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Aberdeen  
26 September 2012

## **DSND Subsea Ltd**

### **Profit and loss account for the year ended 31 December 2011**

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
Administrative Expenses		<b>(5,750)</b>	<b>(59,535)</b>
<b>Loss on ordinary activities before interest and taxation</b>		<b>(5,750)</b>	<b>(59,535)</b>
Interest receivable and similar income	2	<b>4,485</b>	-
Interest expenses and similar charges	2	<b>(2,806)</b>	<b>(18,698)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(4,071)</b>	<b>(78,233)</b>
Taxation on loss on ordinary activities		-	-
<b>Loss for the financial year</b>		<b>(4,071)</b>	<b>(78,233)</b>

The results above relate wholly to discontinued activities

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents

The notes on pages 8 to 11 are an integral part of the financial statements



# DSND Subsea Ltd

## Balance sheet as at 31 December 2011

	Notes	2011 £	2010 £
<b>Current assets</b>			
Debtors	6	-	30,988
		-	30,988
<b>Creditors: amounts falling due within one year</b>	7	(174,976)	(201,893)
<b>Net current liabilities</b>		(174,976)	(170,905)
<b>Total assets less current liabilities</b>		(174,976)	(170,905)
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Profit and loss - deficit	9	(174,977)	(170,906)
<b>Total shareholder's deficit</b>	10	(174,976)	(170,905)

The notes on pages 8 to 11 are an integral part of the financial statements

The financial statements on pages 6 to 11 were approved by the board of directors on 26 September 2012 and were signed on its behalf by.



**D B Lie**  
Director

**DSND Subsea Ltd**

**Registered Number 01005947**

# **DSND Subsea Ltd**

## **Notes to the financial statements for the year ended 31 December 2011**

### **1 Basis of accounting and principal accounting policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, on a going concern basis, and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. The principal accounting policies, which have been applied consistently, are set out below.

#### **Going concern**

The entity was in a net current liability position in the amount of £174,976 as of 31 December 2011 (2010: £170,905).

The ultimate parent company, Siem Offshore Inc, has confirmed that it will provide the necessary financial support for at least the period of 12 months from the date of these financial statements. For this reason, the directors believe that the company is a going concern and the financial statements have been prepared on this basis.

#### **Cash flow statement**

The company is a wholly owned subsidiary of Siem Offshore Inc and the cash flows of the company are included in the consolidated cash flow statement of Siem Offshore Inc. The consolidated financial statements of Siem Offshore Inc are publicly available (Note 11). Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 "Cash flow statements".

#### **Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling and recorded at rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date and differences on exchange included in the profit and loss account.

#### **Related party transactions**

In accordance with the exemption available under FRS8 "Related Party Disclosures", transactions with entities that are part of the Siem Offshore Inc Group (Note 7) are not disclosed on the grounds that the company is a subsidiary where 90% or more of its voting rights are controlled within the group and the consolidated financial statements of Siem Offshore Inc are publicly available.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided on taxable profits at current rates in the respective taxation jurisdictions. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discountable basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## DSND Subsea Ltd

### Notes to the financial statements for the year ended 31 December 2011 (continued)

#### 2 Loss on ordinary activities before interest and taxation

	2011	2010
<b>Loss on ordinary activities before interest and taxation is stated after charging:</b>		
Foreign exchange (loss)/gain	(1,679)	17,255
<b>Services provided by the company's auditor:</b>		
Fees payable for the audit	4,500	5,000
Fees payable for other services – tax compliance	2,500	2,500

#### 3 Directors' remuneration

None of the directors who served during the year neither received nor waived any emoluments from the company (2010 £nil)

#### 4 Employee information

The company had no employees during the year (2010 nil)

#### 5 Taxation on loss on ordinary activities

There is a £nil tax charge (2010 £nil). The effective rate is lower (2010 lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2011 of 26.5% (2010 28%). The differences are explained below

	2011 £	2010 £
<b>Loss on ordinary activities before tax</b>	<b>(4,071)</b>	<b>(78,223)</b>
Loss on ordinary activities at 26.5% (2010 28%)	(1,079)	(21,905)
Effects of		
Unrecognised losses	1,079	21,905
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

A number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012. A further reduction to the main rate is also proposed to reduce the rate to 22% from 1 April 2014. None of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

## DSND Subsea Ltd

### Notes to the financial statements for the year ended 31 December 2011 (continued)

#### 6 Debtors

	2011 £	2010 £
Amounts falling due within one year		
Amounts owed by fellow subsidiaries in the Siem Offshore group	-	30,988
	-	30,988

Amounts owed by the ultimate parent and fellow subsidiary undertakings are interest free and payable on demand

#### 7 Creditors: amounts falling due within one year

	2011 £	2010 £
Amounts owed to fellow subsidiaries in the Siem Offshore group	24,544	24,544
Amounts owed to ultimate parent undertaking	46,541	71,323
Accruals and deferred income	103,891	106,026
	174,976	201,893

Amounts owed to the ultimate parent and fellow subsidiary undertakings are interest free and repayable on demand

Included within the accruals and deferred income balance is a provision for tax liabilities in Canada of C\$132,720 (GBP. 83,891) This balance has remained unchanged since 2007 when certain amounts were paid The Company is awaiting final confirmation regarding settlement.

#### 8 Called up share capital

	2011 £	2010 £
<b>Authorised:</b>		
3,208,001 (2010: 3,208,001) Ordinary Shares of £1 each	3,208,001	3,208,001
<b>Allotted, called up and fully paid:</b>		
Ordinary Shares of £1 each	1	1

## **DSND Subsea Ltd**

### **Notes to the financial statements for the year ended 31 December 2011 (continued)**

#### **9 Reserves**

	Profit and loss reserve £
At 1 January 2011	(170,906)
Loss for the financial year	(4,071)
<b>At 31 December 2011</b>	<b>(174,977)</b>

#### **10 Reconciliation of movements in shareholder's funds**

	2011 £	2010 £
Loss for the financial year	(4,071)	(78,233)
Net reduction to shareholder's funds	(4,071)	(78,233)
Opening shareholder's deficit	(170,905)	(92,672)
Closing shareholder's deficit	(174,976)	(170,905)

#### **11 Ultimate parent undertaking**

Siem Offshore Inc., a company registered in the Cayman Islands, is the ultimate parent company and controlling party. The Company's results to 31 December 2011 have been disclosed in the consolidated financial statements of Siem Offshore Inc. Copies of the financial statements of Siem Offshore Inc may be obtained from Siem Offshore Inc, Harbour Place, 5<sup>th</sup> Floor, PO Box 309, 103 South Church Street, George Town, Grand Cayman, Cayman Islands