

DSND Subsea Ltd
Directors' report and financial statements
for the year ended 31 December 2013

Registered Number 01005947

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DSND Subsea Ltd
Directors' report and financial statements
for the year ended 31 December 2013

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DSND Subsea Ltd

Directors and advisers

Directors

D B Lie

T Sorensen

Company 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

Strategic report for the year ended 31 December 2013

The directors present their strategic report on the Company for the year to 31 December 2013.

Principal activities 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 2014. The report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The company made a loss for the financial year of £24,397 (2012: profit £68,148). The directors do not propose payment of a dividend for the current year (2012: Nil). No dividends were received in 2013 (2012: £ Nil).

Principal risks and uncertainties

The company does not trade and consequently there are no principal risks and uncertainties arising from trading activities.

Future developments

The company expects to continue on a similar basis in the forthcoming year.

The financial statements on pages 7 to 13 were approved by the board of directors on 24 September 2014 and were signed on its behalf by:



T Sorensen
Director

DSND Subsea Ltd

Directors' report for the year ended 31 December 2013

The directors present their report and the audited financial statements for the company for the year ended 31 December 2013.

Future developments

The directors are not aware of any future developments that will have a significant impact on the company.

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

T Sorensen

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting 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;
- 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 2013 (continued)

Disclosure of information to auditors

The directors who were members of the Board at the time of approving this report are listed above. Having made enquiries of fellow directors and of the Company's auditors' each of these directors confirms that:

- To the best of each directors' knowledge and belief, there is no information (that is, information needed by the Company's auditor in connection with conducting the audit) of which the Company's auditors are unaware, and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

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.

The financial statements on pages 7 to 13 were approved by the board of directors on 24 September 2014 and were signed on its behalf by:



T Sorensen
Director

DSND Subsea Ltd

Independent auditors' report to the members of DSND Subsea Ltd

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by DSND Subsea Ltd, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

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

DSND Subsea Ltd

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 ISAs (UK & 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.



Kevin Reynard (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen

24 September 2014

DSND Subsea Ltd

Profit and loss account for the year ended 31 December 2013

	Note	2013 £	2012 £
Administrative Expenses	2	(24,034)	(12,775)
Loss on ordinary activities		(24,034)	(12,775)
Interest receivable and similar income	3	-	97,027
Interest payable and similar charges	4	(91)	(1,886)
(Loss)/profit on ordinary activities before taxation		(24,125)	82,366
Tax on (loss)/profit on ordinary activities	7	(272)	(14,218)
(Loss)/profit for the financial year	11	(24,397)	68,148

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)/profit on ordinary activities before taxation and the (loss)/profit for the financial years stated above and their historical cost equivalents.

The notes on pages 9 to 13 are an integral part of the financial statements.

DSND Subsea Ltd

Balance sheet as at 31 December 2013

	Notes	2013 £	2012 £
Creditors: amounts falling due within one year	8	(131,225)	(106,828)
Net current liabilities		(131,225)	(106,828)
Total assets less current liabilities		(131,225)	(106,828)
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	(131,226)	(106,829)
Total shareholders' deficit	11	(131,225)	(106,828)

The notes on pages 9 to 13 are an integral part of the financial statements

The financial statements on pages 7 to 13 were approved by the board of directors on 24 September 2014 and were signed on its behalf by:


T Sorensen
Director

DSND Subsea Ltd

Registered Number 01005947

DSND Subsea Ltd

Notes to the financial statements for the year ended 31 December 2013

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 £131,225 as of 31 December 2013 (2012: £106,828).

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 10). Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised 1996) "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 are not disclosed on the grounds that the company is a subsidiary where 100% 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.

Pension schemes

The Merchant Navy Officers Pension Fund (MNOFF) is a Group Personal Pension defined benefit pension scheme in which the company contributes on behalf of certain employees, the assets of which are held separately from those of the Group. These payments are charged to the profit and loss as they become payable.

DSND Subsea Ltd

Notes to the financial statements for the year ended 31 December 2013 (continued)

2 (Loss)/profit on ordinary activities before interest and taxation

	2013 £	2012 £
Loss on ordinary activities before interest and taxation is stated after charging:		
Foreign exchange loss	-	26,079
Services provided by the company's auditors:		
Fees payable for the audit	6,600	6,300
Fees payable for other services – tax compliance	6,425	4,575

3 Interest receivable and similar income

	2013 £	2012 £
Release provision	-	97,027

4 Interest payable and similar charges

	2013 £	2012 £
Other interest	(91)	(1,886)

5 Directors' remuneration

None of the directors who served during the year neither received nor waived any emoluments from the company (2012: £nil).

Directors are remunerated through the parent but given the size, nature and limited services provided to the Company, no recharges were made in the current or prior year.

6 Employee information

The company had no employees during the year (2012: nil).

DSND Subsea Ltd

Notes to the financial statements for the year ended 31 December 2013 (continued)

7 Tax on (loss)/profit on ordinary activities

	2013 £	2012 £
Current tax:		
UK corporation tax on profits of the year	-	14,218
Adjustments in respect of prior years	272	
Total current tax	272	14,218
Tax on profit on ordinary activities	272	14,218

Factors affecting tax charge for the year

There is a £272 tax charge (2012: £14,218). The effective rate is higher (2012: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2013 of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £	2012 £
(Loss)/profit on ordinary activities before tax	(24,125)	82,366
Tax on (loss)/profit on ordinary activities at 23.25% (2012: 24.5%)	(5,609)	20,180
Effects of :		
Unrecognised losses	5,609	-
Utilisation of tax losses	-	(5,688)
Adjustments in respect of prior years	272	-
Effects of other tax rates/credits	-	(274)
Current tax charge for the year	272	14,218

Factors affecting current and future tax charges

The Finance Act 2012 reduced the UK Corporation tax rate from 24% to 23% with effect from 1 April 2013.

Further changes to the UK corporation tax rates were enacted on 17 July 2013 in the Finance Act 2013. These include reductions to the main rate of tax to 21% from 1 April 2014 and to 20% from 1 April 2015.

The effect of the changes enacted in the Finance Act has no significant impact on these financial statements.

DSND Subsea Ltd

Notes to the financial statements for the year ended 31 December 2013 (continued)

8 Creditors: amounts falling due within one year

	2013 £	2012 £
Amounts owed to ultimate parent undertaking	113,625	79,235
Accruals and deferred income	17,600	13,375
Corporation tax	-	14,218
	131,225	106,828

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

9 Called up share capital

	2013 £	2012 £
Authorised:		
3,208,001 (2012: 3,208,001) Ordinary Shares of £1 each	3,208,001	3,208,001
Allotted, called up and fully paid:		
1 (2012: 1) Ordinary Shares of £1 each	1	1

10 Profit and loss account

	Profit and loss account £
At 1 January 2013	(106,829)
Loss for the financial year	(24,397)
At 31 December 2013	(131,226)

DSND Subsea Ltd

Notes to the financial statements for the year ended 31 December 2013 (continued)

11 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
(Loss)/profit for the financial year	(24,397)	68,148
Net (increase)/reduction to shareholders' deficit	(24,397)	68,148
Opening shareholders' deficit	(106,828)	(174,976)
Closing shareholders' deficit	(131,225)	(106,828)

12. Pension schemes

The company made contributions of £11,009 (2012: nil) to the Merchant Navy Officers Pension Fund (MNOFF) of which some of the company's former employees are members.

The MNOFF is a Group Personal Pension defined benefit pension scheme in which the company contributes on behalf of certain employees, the assets of which are held separately from those of the Group. These payments are charged to the profit and loss as they become payable.

13 Ultimate parent undertaking

The immediate parent undertaking is Siem Offshore Inc, a company registered in the Cayman Islands.

The ultimate parent undertaking and controlling party is Siem Offshore Inc, a company registered in the Cayman Islands.

Siem Offshore Inc is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2013. The consolidated financial statements of Siem Offshore Inc may be obtained from Siem Offshore Inc, Harbour Place, 5th Floor, PO Box 309, 103 South Church Street, George Town, Grand Cayman, Cayman Islands.