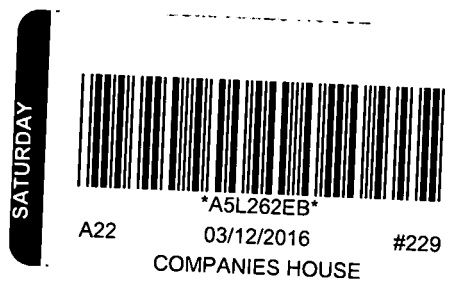


**Strategic Report, Report of the Directors and
Audited Financial Statements
for the Year Ended 31 December 2015
for
ABS Consulting Limited**



**Contents of the Financial Statements
for the Year Ended 31 December 2015**

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ABS Consulting Limited
Company Information
for the Year Ended 31 December 2015

DIRECTORS:

M W Goodwin
Ms S Barton
D A Walker
G Graham
T Grove
Dr B J Eccles

SECRETARIES:

M Mannix
Ms S Barton

REGISTERED OFFICE:

EQE House, The Beacons
Warrington Road
Birchwood
Warrington
Cheshire
WA3 6WJ

REGISTERED NUMBER:

02201553 (England and Wales)

AUDITORS:

Ernst & Young LLP, Registered Auditor
25 Churchill Place
Canary Wharf
London
E14 5EY

BANKERS:

National Westminster Bank plc
5 Ormskirk St.
St. Helens
Merseyside
WA10 1DR

**Strategic Report
for the Year Ended 31 December 2015**

The Directors present their strategic report for the year ended 31 December 2015.

REVIEW OF BUSINESS

This year (2015) was the twenty sixth year of operations and the Company continued to focus on the strategic direction implemented in previous years. The Company remains well positioned in all its target markets. The Directors are confident that the focus on effective sales and business development activities during 2016 will ensure that the business remains in profit during difficult market conditions.

The key performance indicators during the year were as follows:

| | 2015 | 2014 | Change % |
|--------------------------------|-------|--------|----------|
| Value of proposals won (£'000) | 9,825 | 10,404 | -5.56 |
| Training (hours) | 1,624 | 2,254 | -27.95 |

During 2015 the Company won proposals of £9.8m which represents a small decrease on the level of 2014 successful bids. During 2015 the proposals won in the nuclear related business are slightly higher than those recorded in 2014. However in the oil & gas sector, capital projects or operating expenses on existing facilities as originally planned by oil majors were delayed or even cancelled due to a significant oil price drop during the second half of 2015, resulting in an overall reduction of business sales by about 10% for the full year. Most of the proposals were indeed won in the second half of 2015, generating a higher year-end backlog as compared to that in 2014.

The 1,624 training hours in the year represents the continued commitment of the business to invest in training initiatives which ensure the development and retention of key staff.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal risk is that it is operating in a market place where the demand for suitably qualified engineers exceeds the supply. The Company continues to mitigate this risk by ensuring salaries remain above market rates. The business operates primarily in the UK energy market, it is therefore exposed to downturns in the UK economy. The business has a very low credit risk profile as it has a long standing relationship with its client base which is primarily made up of well established blue chip companies. If events that challenge the business of American Bureau of Shipping arise, this may indirectly affect the liquidity risk profile of the business of ABS Consulting Ltd.

ON BEHALF OF THE BOARD:

.....
M Mannix - Secretary

Date:

**Report of the Directors
for the Year Ended 31 December 2015**

The Directors present their report with the financial statements of the Company for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of providing consulting services in specialised engineering, safety and risk management to a broad range of clients in the energy, process, transportation, insurance and defence sectors.

DIVIDENDS

The Company delivered turnover to the value of £9m in 2015 and made a profit before taxation of £371k (2014: £62k loss). The Company delivered a 4.1% pre-tax profit compared to a pre-tax rate of loss of 0.72% in 2014. The directors do not recommend payment of a dividend (2014: £nil). The retained profit has been transferred to reserves together with the unrealised exchange differences.

FUTURE DEVELOPMENTS

Marketing Conditions in the Energy sector will continue to be challenging in 2016 and possibly beyond. There will be limited opportunities to grow revenue in the short term. In view of this, the focus of the directors will be to control expenses during the forthcoming year and as a result they anticipate incurring a one off restructuring cost.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The Directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

M W Goodwin
Ms S Barton
D A Walker
G Graham

Other changes in directors holding office are as follows:

T Grove was appointed as a director on 1 May 2015.

D R Weinstein ceased to be a director on 10 April 2015.

Dr M P Wong ceased to be a director on 30 June 2016.

Dr B J Eccles was appointed as a director on 28 July 2016.

GOING CONCERN

After making reasonable enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS


So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Report of the Directors
for the Year Ended 31 December 2015

AUDITORS

Ernst & Young LLP are deemed to be reappointed in accordance with an elective resolution made under section 386 of The Companies Act 1985 which continues in force under the Companies Act 2006.

ON BEHALF OF THE BOARD:


.....
M Mannix - Secretary

Date: 29 November 2016
.....

**Statement of Directors' Responsibilities
for the Year Ended 31 December 2015**

The Directors are responsible for preparing the Strategic Report, Report of the Directors 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 elected to prepare the financial statements in accordance with Financial Reporting Standard 102 - The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland (FRS 102). 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 the 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, being FRS 102 have been followed, subject to any material departure; 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.

**Report of the Independent Auditors to the Members of
ABS Consulting Limited (Registered number: 02201553)**

We have audited the financial statements of ABS Consulting Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Comprehensive Income and the related notes 1 to 23. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 a Report of the Auditors 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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

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 Strategic Report and Report of the Directors 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 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

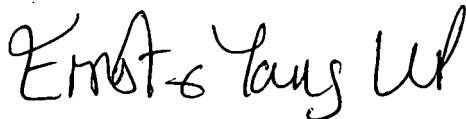
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
ABS Consulting Limited (Registered number: 02201553)**

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.



Giles Watson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Registered Auditor
25 Churchill Place
Canary Wharf
London
E14 5EY

Date: 30th November 2016

**Statement of Comprehensive Income
for the Year Ended 31 December 2015**

| | Notes | 2015 £ | 2014 £ |
|---|-------|-------------|-------------|
| TURNOVER | 2 | 9,063,586 | 8,710,178 |
| Cost of sales | | (7,593,882) | (7,475,578) |
| GROSS PROFIT | | 1,469,704 | 1,234,600 |
| Administrative expenses | | (1,105,444) | (1,243,514) |
| OPERATING PROFIT/(LOSS) | 5 | 364,260 | (8,914) |
| Interest receivable and similar income | 7 | 7,463 | 42,145 |
| | | 371,723 | 33,231 |
| Interest payable and similar charges | 8 | (991) | (95,497) |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 370,732 | (62,266) |
| Tax on profit/(loss) on ordinary activities | 9 | (72,532) | 19,712 |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR | | 298,200 | (42,554) |
| OTHER COMPREHENSIVE INCOME | | | |
| Cumulative translation adjustment | | (19,910) | (13,788) |
| Income tax relating to other comprehensive income | | - | - |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX | | (19,910) | (13,788) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 278,290 | (56,342) |

Balance Sheet
31 December 2015

| | Notes | 2015 £ | 2014 £ |
|--|-------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 10 | 49,526 | 46,895 |
| Investments | 11 | 48,000 | 48,000 |
| | | <u>97,526</u> | <u>94,895</u> |
| CURRENT ASSETS | | | |
| Deferred tax | 12 | 17,098 | 46,079 |
| Debtors | 13 | 14,668,502 | 14,823,556 |
| Cash at bank | | 737,442 | 647,003 |
| | | <u>15,423,042</u> | <u>15,516,638</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 14 | 13,769,748 | 14,139,003 |
| NET CURRENT ASSETS | | <u>1,653,294</u> | <u>1,377,635</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,750,820</u> | <u>1,472,530</u> |
| CREDITORS | | | |
| Amounts falling due after more than one year | 15 | 48,000 | 48,000 |
| NET ASSETS | | <u><u>1,702,820</u></u> | <u><u>1,424,530</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 17 | 118,415 | 118,415 |
| Share premium | 18 | 205,292 | 205,292 |
| Retained earnings | 18 | 1,379,113 | 1,100,823 |
| SHAREHOLDER FUNDS | | <u><u>1,702,820</u></u> | <u><u>1,424,530</u></u> |

The financial statements were approved by the Board of Directors on 29 November 2016 and were signed on its behalf by:


.....
Dr B J Eccles - Director

**Statement of Changes in Equity
for the Year Ended 31 December 2015**

| | Called up share capital £ | Retained earnings £ | Share premium £ | Total equity £ |
|------------------------------------|------------------------------------|---------------------------|-----------------------|-------------------------|
| Balance at 1 January 2014 | 118,415 | 1,157,165 | 205,292 | 1,480,872 |
| Changes in equity | | | | |
| Total comprehensive income | - | (56,342) | - | (56,342) |
| Balance at 31 December 2014 | <u>118,415</u> | <u>1,100,823</u> | <u>205,292</u> | <u>1,424,530</u> |
| Changes in equity | | | | |
| Total comprehensive income | - | 278,290 | - | 278,290 |
| Balance at 31 December 2015 | <u><u>118,415</u></u> | <u><u>1,379,113</u></u> | <u><u>205,292</u></u> | <u><u>1,702,820</u></u> |

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2015**

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

This is the first year in which the financial statements have been prepared under Financial Reporting Standard 102.

The financial statements have been prepared on a going concern basis as the Company is in a strong net asset position and has historically been profit-making.

The financial statements are presented in sterling (£).

Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 9 to present Consolidated Financial Statements;

The Company is a subsidiary undertaking of The American Bureau of Shipping. It is included in the consolidated financial statements of The American Bureau of Shipping. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated accounts.

Exemption from preparing consolidated financial statements

The financial statements contain information about ABS Consulting Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, The American Bureau of Shipping, an entity incorporated by special statute in the United States of America.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties).

Significant judgements and estimates

In the application of the Company's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Unrecognised revenue

Revenue is estimated using agreed bill rates, approved time cards and expenses.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

Unbilled subcontractor expense

The expense accrual is calculated based on contractor cost rates and unbilled time.

Turnover

Turnover, which is stated net of value added tax, represents the value of services provided to clients (including other group companies) during the year, after provision for contingencies and anticipated future losses on contracts, including amounts not invoiced. The turnover and pre-tax profit or loss is attributable to the provision of consulting services in specialised engineering, safety and risk management to a broad range of clients in the energy, process, transportation, insurance and defence sectors.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Improvements to leasehold buildings - over the lease term
Fixtures and fittings - lower of 3 to 5 years or the lease term

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

There have been no impairments of tangible fixed assets in the current or prior year.

Deferred tax

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of temporary timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

A deferred tax asset is recognised when there is a reasonable certainty that at least some of the brought forward losses will be offset by future profits.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at 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.

Intercompany balances are treated as monetary assets or liabilities and in accordance with Financial Reporting Standard 102 section 30: 'Foreign Currency Translation', the revaluation of prior year balances is included in other comprehensive income.

Pensions

The Company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

1. ACCOUNTING POLICIES - continued

Investments

Investments are valued at the lower of cost and net realisable value.

Leasing commitments

The rental charges for operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

Financial assets and liabilities

Financial assets or liabilities are recognised initially at its fair value.

Cash at bank

This comprises of cash at bank, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Long-term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Payments on account made in excess of turnover recognised are included in creditors within accruals and deferred income.

Disposal of fixed assets

The profit or loss on the disposal of a fixed asset; including tangible fixed assets, intangible fixed assets and fixed asset investments; is calculated as the difference between the net sale proceeds and the net carrying amount of the asset at the time of disposal, whether carried at historical cost (less any provisions made) or at a valuation in line with Financial Reporting Standard 102 (FRS 102).

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

2. **TURNOVER**

The turnover and profit (2014 - loss) before taxation are attributable to the one principal activity of the Company.

An analysis of turnover by class of business is given below:

| | 2015 £ | 2014 £ |
|-----------------|------------------|------------------|
| Commercial Risk | 771,014 | 797,742 |
| Process | 686,709 | 1,134,199 |
| Energy | 7,605,863 | 6,778,237 |
| | <u>9,063,586</u> | <u>8,710,178</u> |

An analysis of turnover by geographical market is given below:

| | 2015 £ | 2014 £ |
|----------------|------------------|------------------|
| United Kingdom | 7,749,409 | 7,080,150 |
| Europe | 319,657 | 423,478 |
| Rest of World | 994,520 | 1,206,550 |
| | <u>9,063,586</u> | <u>8,710,178</u> |

3. **STAFF COSTS**

| | 2015 £ | 2014 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 2,326,338 | 2,787,886 |
| Social security costs | 292,033 | 343,635 |
| Other pension costs | 137,991 | 154,596 |
| | <u>2,756,362</u> | <u>3,286,117</u> |

The average monthly number of employees during the year was as follows:

| | 2015 | 2014 |
|--------------------|-----------|-----------|
| Rechargeable staff | 40 | 50 |
| Administration | 15 | 14 |
| | <u>55</u> | <u>64</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

4. DIRECTORS' REMUNERATION

| | 2015 £ | 2014 £ |
|--|-----------|-----------|
| Aggregate remuneration in respect of qualifying services | 214,027 | 214,061 |
| Company contributions to money purchase pension schemes | 18,282 | 17,842 |
| Number of directors accruing benefits under money purchase pension schemes | 2 | 2 |

The emoluments of the highest paid director in the year are as follows:

| | 2015 £ | 2014 £ |
|--|-----------|-----------|
| Aggregate remuneration in respect of qualifying services | 130,198 | 133,034 |
| Company contributions to money purchase pension schemes | 10,868 | 10,659 |

5. OPERATING PROFIT/(LOSS)

The operating profit (2014 - operating loss) is stated after charging/(crediting):

| | 2015 £ | 2014 £ |
|------------------------------------|-----------|-----------|
| Depreciation - owned assets | 29,001 | 32,492 |
| Profit on disposal of fixed assets | - | (71) |
| Foreign exchange differences | 2,929 | - |
| Operating lease expenses | 252,260 | 297,753 |

6. AUDITORS' REMUNERATION

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| Fees payable to the Company's auditor for the audit of the Company's financial statements | 77,104 | 66,300 |

7. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2015 £ | 2014 £ |
|--------------------------------------|-----------|-----------|
| Interest receivable and other income | 7,463 | 42,145 |

8. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2015 £ | 2014 £ |
|---------------------|-----------|-----------|
| Bank interest | 991 | - |
| Exchange adjustment | - | 95,497 |
| | 991 | 95,497 |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

9. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

| | 2015 £ | 2014 £ |
|---|---------------|-----------------|
| Current tax: | | |
| Group relief | 67,200 | - |
| Adjustments in respect of previous periods | (23,649) | (10,442) |
| Total current tax | <u>43,551</u> | <u>(10,442)</u> |
| Deferred tax: | | |
| Deferred tax | 8,635 | (15,347) |
| Adjustments in respect of previous periods | 20,346 | 6,077 |
| Total deferred tax | <u>28,981</u> | <u>(9,270)</u> |
| Tax on profit/(loss) on ordinary activities | <u>72,532</u> | <u>(19,712)</u> |

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2015 £ | 2014 £ |
|---|----------------|-----------------|
| Profit/(loss) on ordinary activities before tax | <u>370,732</u> | <u>(62,266)</u> |
| Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.250% (2014 - 21.500%) | 75,073 | (13,387) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 3,125 | 4,377 |
| Income not taxable for tax purposes | (1,511) | (9,061) |
| Adjustments to tax charge in respect of previous periods | (3,303) | (4,365) |
| Other tax adjustments | (852) | 2,724 |
| Total tax charge/(credit) | <u>72,532</u> | <u>(19,712)</u> |

Tax effects relating to effects of other comprehensive income

| | Gross £ | 2015 Tax £ | Net £ |
|-----------------------------------|-----------------|------------------|-----------------|
| Cumulative translation adjustment | (19,910) | - | (19,910) |
| | <u>(19,910)</u> | <u>-</u> | <u>(19,910)</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

9. TAXATION - continued

| | Gross £ | 2014 Tax £ | Net £ |
|-----------------------------------|-----------------|------------------|-----------------|
| Cumulative translation adjustment | (13,788) | - | (13,788) |
| | <u>(13,788)</u> | <u>-</u> | <u>(13,788)</u> |

10. TANGIBLE FIXED ASSETS

| | Improvements to leasehold buildings £ | Fixtures and fittings £ | Totals £ |
|-----------------------|---|----------------------------------|----------------|
| COST | | | |
| At 1 January 2015 | 182,436 | 753,893 | 936,329 |
| Additions | 15,876 | 15,756 | 31,632 |
| At 31 December 2015 | <u>198,312</u> | <u>769,649</u> | <u>967,961</u> |
| DEPRECIATION | | | |
| At 1 January 2015 | 177,319 | 712,115 | 889,434 |
| Charge for year | 3,994 | 25,007 | 29,001 |
| At 31 December 2015 | <u>181,313</u> | <u>737,122</u> | <u>918,435</u> |
| NET BOOK VALUE | | | |
| At 31 December 2015 | <u>16,999</u> | <u>32,527</u> | <u>49,526</u> |
| At 31 December 2014 | <u>5,117</u> | <u>41,778</u> | <u>46,895</u> |

11. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|---|---|
| COST | |
| At 1 January 2015 and 31 December 2015 | <u>48,000</u> |
| NET BOOK VALUE | |
| At 31 December 2015 | <u>48,000</u> |
| At 31 December 2014 | <u>48,000</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

11. **FIXED ASSET INVESTMENTS - continued**

The Company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

EQE-ISS Limited

Nature of business: Dormant

| | | | |
|--------------------------------|---------|---------------|---------------|
| | % | | |
| Class of shares: | holding | | |
| Ordinary | 100.00 | | |
| | | 2015 | 2014 |
| | | £ | £ |
| Aggregate capital and reserves | | <u>48,000</u> | <u>48,000</u> |

The voting rights follow the shareholdings.

Prosoft Resources Limited

Nature of business: Dormant

| | | | |
|--------------------------------|---------|-----------------|-----------------|
| | % | | |
| Class of shares: | holding | | |
| Ordinary | 100.00 | | |
| | | 2015 | 2014 |
| | | £ | £ |
| Aggregate capital and reserves | | <u>(27,517)</u> | <u>(27,517)</u> |

The voting rights follow the shareholdings.

Associated company

EQE Consultants South Africa (PTY) Limited

Country of incorporation: South Africa

Nature of business: Dormant

| | | |
|------------------|---------|--|
| | % | |
| Class of shares: | holding | |
| Ordinary | 49.00 | |

The voting rights follow the shareholdings.

These investments are fully impaired.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

12. DEFERRED TAX

| | 2015 £ | 2014 £ |
|--|-----------|-----------|
| Deferred tax | 17,098 | 46,079 |
| | | |
| | | 2015 £ |
| Balance as at 1 January 2015 | | 46,079 |
| Credit/(charge) to profit and loss during the year | | (28,981) |
| Balance as at 31 December 2015 | | 17,098 |

The recognised deferred tax asset of £17,098 (2014: £46,079) comprises:

| | 2015 £ | 2014 £ |
|-------------------------------------|-----------|-----------|
| Accelerated capital allowances | 17,098 | 22,805 |
| Other short term timing differences | - | 2,928 |
| Unrelieved trading losses | - | 20,346 |
| | 17,098 | 46,079 |

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2015 £ | 2014 £ |
|------------------------------------|------------|------------|
| Trade debtors | 622,503 | 1,454,117 |
| Amounts owed by group undertakings | 11,863,785 | 11,992,337 |
| Amounts recoverable on contracts | 1,476,696 | 854,003 |
| Other debtors | 364,962 | 364,701 |
| Corporation tax | 23,649 | - |
| Prepayments and accrued income | 316,907 | 158,398 |
| | 14,668,502 | 14,823,556 |

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2015 £ | 2014 £ |
|------------------------------------|------------|------------|
| Trade creditors | 80,055 | 51,799 |
| Amounts owed to group undertakings | 12,539,662 | 12,666,244 |
| Corporation tax | - | 14,370 |
| Social security and other taxes | 178,173 | 363,284 |
| Other creditors | 211,771 | 221,699 |
| Accruals and deferred income | 760,087 | 821,607 |
| | 13,769,748 | 14,139,003 |

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2015 £ | 2014 £ |
|------------------------------------|-----------|-----------|
| Amounts owed to group undertakings | 48,000 | 48,000 |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2015 | 2014 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Within one year | 214,513 | 90,348 |
| Between one and five years | 465,434 | 33,353 |
| | <u>679,947</u> | <u>123,701</u> |

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2015 | 2014 |
|---------|------------|----------------|----------------|----------------|
| | | | £ | £ |
| 54,152 | Ordinary A | 50p | 27,076 | 27,076 |
| 182,678 | Ordinary B | 50p | 91,339 | 91,339 |
| | | | <u>118,415</u> | <u>118,415</u> |

Class A and B shares carry equal voting rights.

18. RESERVES

| | Retained earnings | Share premium | Totals |
|---------------------|-------------------|----------------|------------------|
| | £ | £ | £ |
| At 1 January 2015 | 1,100,823 | 205,292 | 1,306,115 |
| Profit for the year | 298,200 | | 298,200 |
| Exchange adjustment | (19,910) | - | (19,910) |
| At 31 December 2015 | <u>1,379,113</u> | <u>205,292</u> | <u>1,584,405</u> |

19. PENSION COMMITMENTS

The Company operated a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The total pension cost for the year was £137,991 (2014: £154,596). Contributions unpaid but accrued at the balance sheet date were £24,919 (2014: £22,095).

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

20. ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of The American Bureau of Shipping, an entity incorporated by special statute in the United States of America.

The largest group in which the results of the Company are consolidated is that headed by The American Bureau of Shipping. The consolidated financial statements of this group are available from the following address:

ABS Plaza
16855 North Chase Drive
Houston
TX 77060
USA

The smallest group in which they are consolidated is that headed by ABSG Consulting Inc, a company incorporated by special statute in the United States of America. The consolidated financial statements of this group are available from the following address:

ABSG Consulting Inc.
16855 North Chase Drive
Houston
TX 77060
USA

21. POST BALANCE SHEET EVENTS

During 2016, restructuring costs of £147k was incurred in relation to the closure of the Glasgow office and severance of employees. No provision has been made in these financial statements for this cost.

22. ULTIMATE CONTROLLING PARTY

The American Bureau of Shipping is the Company's ultimate controlling party by virtue of its indirect holding of 100% of the Company's issued share capital.

ABSG Consulting Inc. is the Company's controlling party by virtue of its direct holding of 100% of the Company's issued share capital. Voting rights follow the shareholdings.

23. FIRST YEAR ADOPTION

Transitional relief

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2015. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

ABS Consulting Ltd undertook a review of the functional currency's used in these financial statements to ensure that these are disclosed correctly.

The policy and notes for deferred tax recognition has been updated to be consistent with the requirements of FRS 102.

ABS Consulting Ltd has taken exemption from preparing cash flows. Under FRS 102 Section 7 ("Statement of Cash Flows") the Company and the Group are exempt from the requirement to prepare a cash flow statement per FRS 102 Paragraph 3.17 on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Reconciliation of Equity
1 January 2014
(Date of Transition to FRS 102)

| | Notes | UK GAAP £ | Effect of transition to FRS 102 £ | FRS 102 £ |
|--|-------|-------------------|--|-------------------|
| FIXED ASSETS | | | | |
| Tangible assets | | 59,451 | - | 59,451 |
| Investments | | 48,000 | - | 48,000 |
| | | <u>107,451</u> | <u>-</u> | <u>107,451</u> |
| CURRENT ASSETS | | | | |
| Deferred tax | | 36,809 | - | 36,809 |
| Debtors | | 17,329,258 | - | 17,329,258 |
| Cash at bank | | 406,984 | - | 406,984 |
| | | <u>17,773,051</u> | <u>-</u> | <u>17,773,051</u> |
| CREDITORS | | | | |
| Amounts falling due within one year | | (16,258,314) | - | (16,258,314) |
| NET CURRENT ASSETS | | <u>1,514,737</u> | <u>-</u> | <u>1,514,737</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,622,188 | - | 1,622,188 |
| CREDITORS | | | | |
| Amounts falling due after more than one year | | (48,000) | - | (48,000) |
| PROVISIONS FOR LIABILITIES | | <u>(93,316)</u> | <u>-</u> | <u>(93,316)</u> |
| NET ASSETS | | <u>1,480,872</u> | <u>-</u> | <u>1,480,872</u> |
| CAPITAL AND RESERVES | | | | |
| Called up share capital | | 118,415 | - | 118,415 |
| Share premium | | 205,292 | - | 205,292 |
| Retained earnings | | 1,157,165 | - | 1,157,165 |
| SHAREHOLDER FUNDS | | <u>1,480,872</u> | <u>-</u> | <u>1,480,872</u> |

The notes form part of these financial statements

Reconciliation of Equity - continued
31 December 2014

| | Notes | UK GAAP £ | Effect of transition to FRS 102 £ | FRS 102 £ |
|--|-------|-------------------|--|-------------------|
| FIXED ASSETS | | | | |
| Tangible assets | | 46,895 | - | 46,895 |
| Investments | | 48,000 | - | 48,000 |
| | | <u>94,895</u> | <u>-</u> | <u>94,895</u> |
| CURRENT ASSETS | | | | |
| Deferred tax | | 46,079 | - | 46,079 |
| Debtors | | 14,823,556 | - | 14,823,556 |
| Cash at bank | | 647,003 | - | 647,003 |
| | | <u>15,516,638</u> | <u>-</u> | <u>15,516,638</u> |
| CREDITORS | | | | |
| Amounts falling due within one year | | (14,139,003) | - | (14,139,003) |
| NET CURRENT ASSETS | | <u>1,377,635</u> | <u>-</u> | <u>1,377,635</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,472,530</u> | <u>-</u> | <u>1,472,530</u> |
| CREDITORS | | | | |
| Amounts falling due after more than one year | | (48,000) | - | (48,000) |
| NET ASSETS | | <u>1,424,530</u> | <u>-</u> | <u>1,424,530</u> |
| CAPITAL AND RESERVES | | | | |
| Called up share capital | | 118,415 | - | 118,415 |
| Share premium | | 205,292 | - | 205,292 |
| Retained earnings | | 1,100,823 | - | 1,100,823 |
| SHAREHOLDER FUNDS | | <u>1,424,530</u> | <u>-</u> | <u>1,424,530</u> |

Reconciliation of Loss
for the Year Ended 31 December 2014

| | UK GAAP £ | Effect of transition to FRS 102 £ | FRS 102 £ |
|--|-----------------|--|--------------|
| TURNOVER | 8,710,178 | - | 8,710,178 |
| Cost of sales | (7,475,578) | - | (7,475,578) |
| GROSS PROFIT | 1,234,600 | - | 1,234,600 |
| Administrative expenses | (1,243,514) | - | (1,243,514) |
| OPERATING LOSS | (8,914) | - | (8,914) |
| Interest receivable and similar income | 42,145 | - | 42,145 |
| Interest payable and similar charges | (95,497) | - | (95,497) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | (62,266) | - | (62,266) |
| Tax on loss on ordinary activities | 19,712 | - | 19,712 |
| LOSS FOR THE FINANCIAL YEAR | (42,554) | - | (42,554) |