

Prosafe Rigs Limited

Directors' report and financial statements

Registered number 3335284

31 December 2020



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Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company was previously the operation of semi-submersible rigs in the UK sector of the North Sea and areas outside of the North Sea. The company did not operate vessels in 2020 or the prior year. The company is not expected to trade and operate any vessels in the immediate future and consequently these financial statements have not been prepared on a going concern basis.

Business review

The loss after tax of the company for the year ended 31 December 2020 was \$6,000 (2019: loss \$4,000).

On 31 December 2020, the total assets of the company were \$32,000 (2019: \$34,000) and the net liabilities were \$673,000 (2019: \$667,000).

Directors

The directors who held office during the year were as follows:

Stig H Christiansen

Ryan D Stewart (Appointed 1 July 2020)

The directors benefit from qualifying third party insurance indemnity provisions in place during the year and at the date of this report.

Results and dividends

The results for the year are disclosed in the profit and loss account on page 5. The directors do not recommend payment of a dividend (2019: £nil).

Political contributions

The company made no political donations during the year.

Statement as to disclosure of information to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquires of fellow directors and the group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the 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.

On behalf of the board



Stig H Christiansen
Director

10 Temple Back
Bristol
BS1 6FL

24 June 2021

Statement of directors' responsibilities in respect of the Director's 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), including FRS 101 *Reduced Disclosure Framework*.

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 Prosafe Rigs Limited

Opinion

We have audited the financial statements of Prosafe Rigs Limited ("the company") for the year ended 31 December 2020 which comprise profit and loss and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1. These financial statements have not been prepared on the going concern basis for the reason set out in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Prosafe SE group policies and procedures to prevent and detect fraud that apply to this company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that company management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because no revenue was recorded in the period. We did not identify any additional fraud risks.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unbalanced journals; those posted to unrelated accounts; and journals without sufficient description, which may indicate high risk.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.



Independent auditor's report to the members of Prosafe Rigs Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

Whilst the company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.



Independent auditor's report to the members of Prosafe Rigs Limited (*continued*)

Directors' responsibilities

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

David Derbyshire (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Marischal Square
Broad Street
Aberdeen
AB10 1DD
United Kingdom

28 June 2021

Profit and Loss Account and Other Comprehensive Income

For the year ended 31 December 2020

	Notes	2020 \$000	2019 \$000
Administrative expenses		(6)	(4)
Operating loss	2-3	<u>(6)</u>	<u>(4)</u>
Loss before taxation		<u>(6)</u>	<u>(4)</u>
Tax on loss	4	-	-
Loss for the financial year		<u>(6)</u>	<u>(4)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(6)</u>	<u>(4)</u>

Balance Sheet
At 31 December 2020

	<i>Notes</i>	2020 \$000	2019 \$000
Fixed assets			
Investments	5	-	-
Current assets			
Cash at bank		32	34
		<hr/>	<hr/>
		32	34
Creditors: amounts due within one year	6	(705)	(701)
		<hr/>	<hr/>
Net liabilities		(673)	(667)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account		(673)	(667)
		<hr/>	<hr/>
Shareholders' deficit		(673)	(667)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 24 June 2021 and were signed on its behalf by:


Stig H Christiansen
Director

Statement of Changes in Equity

	Called up share capital \$000	Profit and loss account \$000	Total equity \$000
Balance at 1 January 2019	-	(663)	(663)
Total comprehensive loss for the year			
Loss for the year	-	(4)	(4)
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the year	-	(4)	(4)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	-	(667)	(667)
	<hr/>	<hr/>	<hr/>

	Called up share capital \$000	Profit and loss account \$000	Total equity \$000
Balance at 1 January 2020	-	(667)	(667)
Total comprehensive loss for the year			
Loss for the year	-	(6)	(6)
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the year	-	(6)	(6)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	-	(673)	(673)
	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Prosafe Rigs Limited is a private company incorporated, domiciled and registered in England in the UK. The registered number is 3335284 and the registered address is First Floor Templeback, 10 Temple Back, Bristol, United Kingdom, BS1 6FL.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

In preparing these financial statements, the company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"), making amendments where necessary in order to comply with the Companies Act 2006. The company has also taken advantage of the available FRS 101 disclosure exemptions in relation to the following:

- A Cash flow statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries
- Disclosures in respect of capital management; and
- The effects of new but not yet effective IFRS's

The Company proposes to continue to adopt the reduced disclosure framework in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

No judgements, made by the directors, in the application of these accounting policies, are considered to have a significant effect on the financial statements. No estimates have a significant risk of material adjustment in the next year.

Going concern

As the Company does not expect to trade in the foreseeable future, these financial statements have not been prepared on a going concern basis.

No additional adjustments have been required to these financial statements to reflect the non-going concern basis of accounting.

Functional and reporting currency

The primary functional currency of the company is US dollars and therefore, these financial statements have been prepared in USD, rounded to thousands unless otherwise noted.

Notes

(forming part of the financial statements)

1 Accounting policies *(continued)*

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or received) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measure on an undiscounted 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.

Foreign currencies

Trading transaction denominated in foreign currencies are translated into dollars at the rate of exchange ruling when the transaction was entered into. Monetary assets and liabilities expressed in foreign currencies are translated to sterling at rates of exchange ruling at the end of the financial period.

Investments

Investments in subsidiaries are carried at deemed cost less impairment.

Group financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The company is exempt from preparing group financial statements under section 400 of the Companies Act 2006, as it is an intermediate holding company with a parent undertaking (Prosafe SE) incorporated in Norway.

2 Expenses and auditor's remuneration

Included in operating loss are the following:

	2020 \$000	2019 \$000
Auditor's remuneration – audit of these financial statements	4	4

3 Staff numbers and costs

The company had no employees during the current or preceding years other than the directors. The directors of the company are also directors of the holding company and fellow subsidiaries. The directors are paid by another group company. No remuneration was earned arising from provision of qualifying services to the company.

Notes (continued)

4 Taxation

Recognised in the profit and loss account

	2020 \$000	2020 \$000	2019 \$000	2019 \$000
<i>UK corporation tax</i>				
Current tax on income for the year	-		-	
Adjustments in respect of prior years	-		-	
	<hr/>		<hr/>	
Total current tax				
		<hr/>		<hr/>
Tax on loss		-		-
		<hr/>		<hr/>

Reconciliation of effective tax rate

	2020 \$000	2019 \$000
Loss before taxation		
	(6)	(4)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2019: 19%)	(1)	(1)
Deferred tax asset not recognised	1	1
	<hr/>	<hr/>
Total tax charge included in profit or loss	-	-
	<hr/>	<hr/>

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. The company is not expected to trade in future periods.

5 Investments

The company owned 100% of the ordinary share capital of the following subsidiary undertaking at a nominal investment cost:

Name of companies	Country of incorporation	Nature of business
Prosaf Rigs Nigeria Limited ⁽¹⁾	Nigeria	Offshore support services

Registered office

(1) 252E Muri Okunola Street, Victoria Island, Lagos, Nigeria

During the year, in October 2020, the company liquidated the subsidiary.

Notes (continued)

6 Creditors: amounts due within one year

	2020 \$000	2019 \$000
Amounts owed to group undertakings	660	660
Other creditors and accruals	45	41
	<hr/>	<hr/>
	705	701
	<hr/>	<hr/>

7 Called up share capital

	2020 \$000	2019 \$000
<i>Allotted, called up and fully paid:</i>		
2 ordinary shares of £1 each	-	-
	<hr/>	<hr/>

8 Related parties

The company, as a wholly owned group member, has taken advantage of the exemption under paragraph 8(K) of FRS 101 from disclosing transactions with wholly owned related parties that are part of the Prosafe SE Group. There are no other related party transactions that require disclosure.

9 Ultimate parent company and parent company of larger group

The Company is a subsidiary of Prosafe (UK) Holdings Limited which is the immediate parent company. The ultimate parent company is Prosafe SE, incorporated in Norway. The registered address is Forusparken 2, 4031 Stavanger, Norway.

The Prosafe SE consolidated financial statements of the Group are available to the public and may be obtained from Forusparken 2, 4031 Stavanger, Norway.