

Registered number: 03462306

GULFMARK PERSONNEL UK LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



GULFMARK PERSONNEL UK LTD

COMPANY INFORMATION

Directors	E M Geddes Q V Kneen S R Wilson
Company secretary	E M Geddes Aldlex Limited
Registered number	03462306
Registered office	95 Aldwych London WC2B 4JF
Independent auditor	KPMG LLP 37 Albyn Place Aberdeen AB10 1JB

GULFMARK PERSONNEL UK LTD

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GULFMARK PERSONNEL UK LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

The directors present their Strategic report for the year ended 31 December 2017.

The principal activities of the Company are the provision of personnel and of personnel management services to the offshore marine industry.

These financial statements have been prepared on a going concern basis, which the directors believe to be appropriate based on the disclosures made in note 2.

Business review

2017 was a challenging year for the Oil & Gas industry.

It is publicly available knowledge that on 17th May 2017, GulfMark Offshore Inc, the Company's ultimate parent company, commenced a Chapter 11 case in the United States Bankruptcy Court for the District of Delaware.

On 4th October 2017, the Bankruptcy Court entered an order approving the Amended Chapter 11 Plan of Reorganization. On 14th November 2017, the Plan became effective pursuant to its terms and GulfMark Offshore Inc emerged from the Chapter 11 Case.

It should be noted that the only GulfMark entity affected by the Chapter 11 process was GulfMark Offshore Inc, which is the ultimate parent of GulfMark Personnel UK Ltd. The chapter 11 process did not include any of GulfMark's operating subsidiaries.

Contracts and relationships between GulfMark's operating subsidiaries and their customers, vendors and employees were unaffected by the filing.

Many geopolitical issues impacted global oil prices which drove operators to reassess their business models. This has led to Capital discipline and cost management which has reduced offshore activity levels. This, combined with an over supply of Offshore Supply Vessels, has had a significant impact on vessel utilisation and day rates.

This has had a negative effect on seafarers in terms of reduced remuneration and redundancy which has led to some leaving the industry. This fact has made the role of the Company more difficult in its attempts to effectively provide and manage the required numbers and ranks of offshore personnel.

GULFMARK PERSONNEL UK LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Future outlook

The directors intend to seek and obtain new contracts in the offshore sector and elsewhere within the marine industry whilst maintaining a high level of service provision to existing clients.

Following on from the Chapter 11 proceedings, the ultimate parent company has refinanced its activities through a restructuring support agreement (RSA). The RSA provided for, among other things, a US\$125 million cash rights offering for equity, the exchange of senior notes plus unpaid interest for equity, the cancellation of all Class A common stock and the issuance of equity to the previous stockholders. They also obtained a term loan and revolving credit facility upon emergence.

On 14th November 2017, GulfMark Rederi AS, or Rederi, a subsidiary of GulfMark Offshore, Inc., entered into a new agreement providing for two credit facilities: a senior secured revolving credit facility, or the Revolving Credit Facility, and a senior secured term loan facility, or the Term Loan Facility (or, together, the Facilities). The Revolving Credit Facility provides \$25 million of borrowing capacity, including \$12.5 million for swingline loans and \$5.0 million for letters of credit. The Term Loan Facility provides a \$100 million term loan, which was funded in full on the 14th November 2017. Borrowings under the Revolving Credit Facility may be denominated in U.S. Dollars, NOK, GBP and Euros. Both Facilities mature on 14th November 2022.

From enquiries with the ultimate parent company, the directors are of the opinion that the new facilities available are sufficient for the needs of the wider GulfMark group. As mentioned previously, the Chapter 11 filing did not include any of GulfMark's operating subsidiaries. Furthermore, with the new credit facility in place, the Directors are of the opinion that the going concern assessment of GulfMark UK Personnel Ltd and other UK entities is not in doubt.

Principal risks and uncertainties

As a service providing company with income solely from a management fee, the only significant risk relates to the ongoing requirement for its services. This is dependent on the activity of other UK companies in the Gulfmark group which is heavily dependent on the offshore oil and gas industry.


Financial key performance indicators

Turnover : has increased in the year by £48,000 from £492,000 to £540,000 which is attributable to an increase in the number of offshore crew deployed on Gulfmark vessels. Two managed vessels were reactivated during the year therefore creating a requirement for additional seafarers.

Operating Profit : has decreased in the year by £8,000 from £54,000 to £46,000 due to an increase in costs, mainly due to a retention bonus scheme.

Operating Margin : this figure has decreased from 11% to 9% due to the factors noted above.

This report was approved by the board and signed on its behalf.


.....
E M Geddes
Director

Date: 25/9/18

GULFMARK PERSONNEL UK LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Results and dividends

The profit for the year, after taxation, amounted to £64,000 (2016 - £55,000).

The directors do not propose the payment of a dividend for the current financial year (2016 - £NIL).

Directors

The directors who served during the year were:

E M Geddes
Q V Kneen
S R Wilson

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.


GULFMARK PERSONNEL UK LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


.....
E M Geddes
Director

Date: 25/9/18

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Strategic report, 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 the 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; 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 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.

GULFMARK PERSONNEL UK LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GULFMARK PERSONNEL UK LTD

Opinion

We have audited the financial statements of GulfMark Personnel UK Ltd (the 'Company') for the year ended 31 December 2017, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended
- have been properly prepared in accordance with UK accounting standard, 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.

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 other 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.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate if there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and director's report

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

Our responsibility is to read the Strategic report and 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 Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is inconsistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

GULFMARK PERSONNEL UK LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GULFMARK PERSONNEL UK LTD (CONTINUED)

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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in the Directors' responsibilities statement 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; such internal control as they determine 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 the directors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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.



Andrew Williamson (Senior statutory auditor)

**for and on behalf of KPMG LLP, Statutory Auditor
KPMG LLP**

Chartered Accountants

37 Albyn Place
Aberdeen
AB10 1JB

Date: 26 SEPTEMBER 2018

GULFMARK PERSONNEL UK LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
Turnover	4	540	492
Gross profit		<u>540</u>	<u>492</u>
Administrative expenses		(494)	(438)
Operating profit	5	<u>46</u>	<u>54</u>
Interest receivable and similar income	8	18	1
Profit before tax		<u>64</u>	<u>55</u>
Tax on profit	9	-	-
Profit for the financial year and total comprehensive income		<u><u>64</u></u>	<u><u>55</u></u>

There was no other comprehensive income for 2017 (2016 - £NIL).

The accompanying notes form an integral part of the financial statements.

All figures above related to continuing activities.

GULFMARK PERSONNEL UK LTD
REGISTERED NUMBER:03462306

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Current assets			
Debtors: amounts falling due within one year	10	106	142
Cash at bank and in hand	11	903	737
		<u>1,009</u>	<u>879</u>
Creditors: amounts falling due within one year	12	(462)	(396)
Net current assets		<u>547</u>	<u>483</u>
Total assets less current liabilities		<u>547</u>	<u>483</u>
Net assets		<u><u>547</u></u>	<u><u>483</u></u>
Capital and reserves			
Called up share capital	13	-	-
Other reserves		27	27
Profit and loss account		520	456
		<u>547</u>	<u>483</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



E M Geddes
 Director

Date: 25/9/18

The notes on pages 11 to 21 form part of these financial statements.

GULFMARK PERSONNEL UK LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2016	27	401	428
Profit for the year	-	55	55
At 1 January 2017	27	456	483
Profit for the year	-	64	64
At 31 December 2017	27	520	547

The notes on pages 11 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. General information

GulfMark Personnel UK Ltd ('the Company') provides personnel and personnel management services to the offshore marine industry.

The Company is a private company limited by shares and incorporated, domiciled and registered in England. The address of its registered office is 95 Aldwych, London, WC2B 4JF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The presentation of these financial statements is in pounds sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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 the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of GulfMark Offshore Inc as at 31 December 2017 and these financial statements may be obtained from the internet at www.gulfmark.com or by writing to GulfMark Offshore Inc, 842 West Sam Houston Parkway North, Suite 400, Houston, Texas 77024.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.3 Going concern

The Company reported a profit after tax of £64,000 for the year ended 31 December 2017 as compared to a profit of £55,000 for the year ended 31 December 2016. The Company also had, as of that date, net current assets of £547,000 (2016 - £483,000).

These financial statements have been prepared on a going concern basis, which the directors believe to be appropriate for the following reasons:

For the years ending 31 December 2018 and 2019, the Company has completed profit and loss and cash-flow forecasts. According to these forecasts, the business will make a profit in the year and the directors do not believe the Company will require access to additional funding from other Gulfmark Group companies.

In the latest forecasts for 2018, the Company is expected to generate profits before tax of (unaudited) £100,000.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Turnover is derived from management fee income which is an internal, annual charge to other GulfMark group companies.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'administrative expenses'.

2.10 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of comprehensive income is charged with fair value of goods and services received.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.12 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.13 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.14 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance sheet date and the amounts reported during the year for revenue and costs. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements and estimates have had the most significant impact on amounts recognised in the financial statements.

Share based payments

The cost of the share based payment arrangements is spread over the vesting period, which is estimated to be 3 years. Management believe that 3 years is the most realistic time frame in which the options will be exercised.

Intercompany balances

The Company holds intercompany debtors from other companies within the GulfMark group. At each reporting date, the directors assess the recoverability of intercompany debtor balances by reference to the debtors latest financial information. Judgements are applied as to whether a provision is required against the balance.

GULFMARK PERSONNEL UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

4. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2017 £000	2016 £000
Management fee income	540	492

All turnover arose within the United Kingdom.

5. Operating profit

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

	2017 £000	2016 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	4	6
Exchange differences	29	(1)
Other operating lease rentals	55	46
Defined contribution pension cost	19	19

The directors of this Company were paid by other group companies during the year. The directors do not believe it is practical to apportion these amounts between their services as directors of this Company and their services as directors of other group companies. The directors' remuneration and amounts receivable under long term incentive schemes paid by other group companies to the directors of this Company totals £552,000 (2016 - £324,000). The value of the group's contributions paid to defined contribution pension schemes in respect of these directors amounted to £21,000 (2016 - £21,000).

6. Auditor's remuneration

	2017 £000	2016 £000
Audit of these financial statements	4	6

GULFMARK PERSONNEL UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Employees

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	238	225
Share based payments (note 14)	4	(5)
Social security costs	27	23
Cost of defined contribution scheme (note 15)	19	19
	<u>288</u>	<u>262</u>

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

	2017 No.	2016 No.
Directors	3	3
Administration	6	6
	<u>9</u>	<u>9</u>

8. Interest receivable

	2017 £000	2016 £000
Interest receivable from group companies	18	-
Other interest receivable	-	1
	<u>-</u>	<u>1</u>

GULFMARK PERSONNEL UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

9. Taxation

	2017 £000	2016 £000
Total current tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	64	55
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	12	11
Effects of:		
Group relief	(12)	(11)
Total tax charge for the year	-	-

Factors that may affect future tax charges

Reductions in the UK corporation tax rate to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015 and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

10. Debtors

	2017 £000	2016 £000
Amounts owed by group undertakings	92	127
Other debtors	10	12
Prepayments and accrued income	4	3
	106	142

11. Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	903	737

GULFMARK PERSONNEL UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	10	12
Amounts owed to group undertakings	390	321
Accruals and deferred income	62	63
	<u>462</u>	<u>396</u>

13. Share capital

	2017 £000	2016 £000
Shares classified as equity		
Allotted, called up and fully paid		
2 ordinary shares of £2 each	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. Share based payments

The Company has entered into share based arrangements with senior employees, under a non - HMRC approved "Restricted stock" scheme.

The Company has also entered into share based arrangements with employees at all levels, under a HMRC approved "free share" scheme.

The charge to the Statement of comprehensive income is £4,000 (2016 - credit of £(5,300)). In 2017 the Company has been recharged an element of this, such charges having the effect of reducing the adjustment to equity. The amount charged by the parent was £4,000 (2016 - credit of £(5,300)).

The adjustment to equity is £NIL (2016 - £NIL).

Restricted stock

Restricted stock is granted in respect of this plan by the US parent company to certain employees of the Company on a discretionary basis. Awards are measured at their fair value, represented by the closing market price on the date of the grant.

Grant dates of restricted stock	2015	2016	2017
Awards granted	1	-	-
Number of employees	1	-	-
Number of shares	891	-	-
Weighted average grant price in USD	13.27	-	-

Restricted stock - free share scheme

Restricted stock is granted in respect of this plan by the US parent company to certain employees of the Company on a discretionary basis. Awards are measured at their fair value, represented by the closing market price on the date of grant.

Grant dates of restricted stock	2015	2016	2017
Awards granted	7	-	-
Number of employees	7	-	-
Number of shares	1,780	-	-
Weighted average grant price in USD	13.80	-	-

Restricted stock awards have restrictions that lapse periodically over an extended period of time, generally three years. Compensation expense is recognised over the requisite service period (usually the restriction period). There are no performance conditions, the employee simply has to provide the requisite service to the Company to earn the award.

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15. Pension commitments

The company contributes towards stakeholder individual pension arrangements. The pension charge for this year represents contribution payable by the Company to the scheme and amounted to £19,000 (2016 - £19,000). There is no outstanding or prepaid contributions at either the beginning or end of the financial year (2016 - £NIL).

16. Related party transactions

The Company has taken advantage of paragraph 33.1a of FRS 102 (Related party disclosures) which allows exemption from disclosure of related party transactions with other wholly owned group companies.

17. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Not later than 1 year	41	41
Later than 1 year and not later than 5 years	164	164
Later than 5 years	212	253
	<u>417</u>	<u>458</u>

18. Controlling party and related undertakings

The Company is a subsidiary undertaking of GulfMark North Sea Limited. The ultimate controlling party is the shareholders of GulfMark Offshore Inc.

The largest and smallest group, in which the results of the Company are consolidated is that headed by the GulfMark Offshore Inc, incorporated in Delaware, USA. No other financial statements include the results of the Company.

The consolidated financial statements of GulfMark Offshore Inc, are available to the public and may be obtained from the Internet at www.gulfmark.com or by writing to GulfMark Offshore Inc, 842 West Sam Houston Parkway North, Suite 400, Houston, Texas 77024.

There are no other related undertakings to be disclosed other than the immediate and ultimate parent companies.