

**Maersk FPSOS UK Limited**

**Annual report and financial statements**

**Registered number 7211722**

**31 December 2014**

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## **Directors' report**

The directors present their Directors' report and financial statements for the year ended 31 December 2014.

### **Principal activities**

The principal activity of the Company was to operate a floating production storage and offloading facility ('FPSO') until April 2013. Since April 2013, the principal activity of the Company has been the provision of administration services to related group undertakings.

### **Business review and results**

The Company continues to operate as a going concern with a principal activity of the provision of administration services to related group undertakings.

The Company achieved an operating loss for the year to 31 December 2014 of \$1.0m (2013: loss \$1.0m).

The operating loss for the year includes exchange gains of \$0.7m (2013: exchange loss \$0.4m).

The Company is exempt, by virtue of its size, from the requirement to prepare a strategic report.

### **Key performance indicators**

Environmental: There were no environmental issues during the year.

### **Principal risks and uncertainties**

Environmental: the Company places considerable emphasis upon environmental compliance and seeks to ensure ongoing compliance with relevant legislation and strives to ensure that environmental best practice is incorporated into its key processes.

### **Future developments**

In future, the Company will continue to provide administration services to related group undertakings.

### **Directors**

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

M Sorensen Henriksen	(resigned 20 January 2014)
S J Hoffmeyer	
D McLean	
C Cowie	

### **Proposed dividend**

No dividends were paid in the year (2013: \$nil). The directors do not recommend the payment of a final dividend (2013: \$nil).

### **Political and charitable donations**

The Company made no political or charitable donations during the year (2013: \$Nil).

### **Disclosure of information to auditor**

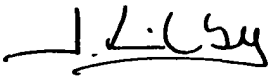
The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Maersk FPSOS UK Limited  
Registered number 721722  
Annual report and financial statements  
31 December 2014

**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.

By order of the board



**John Kilby**  
*Secretary*

Maersk House  
Braham Street  
London  
E1 8EP

23<sup>rd</sup> June 2015

## **Statement of directors' responsibilities in respect of the Directors' 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).

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; 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 proper 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 its financial statements comply with the Companies Act 2006. They 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.



37 Albyn Place  
Aberdeen  
AB10 1JB  
United Kingdom

## **Independent auditor's report to the members of Maersk FPSOS UK Limited**

We have audited the financial statements of Maersk FPSOS UK Limited for the year ended 31 December 2014 set out in pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and 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**

A description of the scope of the audit of the financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- 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 in preparing the directors' report and in not preparing a strategic report.

**David Derbyshire**  
(Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

6 July 2015

**Profit and loss account**  
*for the year ended 31 December 2014*

	Note	2014 \$000	2013 \$000
<b>Turnover</b>		<b>3,577</b>	<b>4,448</b>
<i>Arising from</i>			
- Discontinued operations		-	1,031
- Continuing operations		3,577	3,417
Operating costs		(2,470)	(18,195)
<b>Gross profit/(loss)</b>		<b>1,107</b>	<b>(13,747)</b>
Administrative expenses		(2,809)	(3,266)
Other operating income	2	698	16,008
<b>Operating loss</b>		<b>(1,004)</b>	<b>(1,005)</b>
<i>Arising from</i>			
- Discontinued operations		-	370
- Continuing operations		(1,004)	(1,375)
Interest receivable and similar income	4	112	140
Interest payable and similar charges	5	(8)	(13)
<b>Loss on ordinary activities before taxation</b>	2-3	<b>(900)</b>	<b>(878)</b>
Tax on loss on ordinary activities	6	261	(371)
<b>Loss for the financial year</b>	13	<b>(639)</b>	<b>(1,249)</b>

There were no recognised gains or losses in either the current year or prior period, other than the loss for the financial year.

**Balance sheet**  
*at 31 December 2014*

	<i>Note</i>	<b>2014</b>	<b>2013</b>
		<b>\$000</b>	<b>\$000</b>
<b>Fixed assets</b>			
Tangible assets	7	-	-
<b>Current assets</b>			
Debtors	8	101,791	198,033
Cash at bank and in hand		5	1
		<u>101,796</u>	<u>198,034</u>
<b>Creditors: amounts falling due within one year</b>	10	(81,599)	(177,198)
		<u></u>	<u></u>
<b>Net current assets</b>		<b>20,197</b>	<b>20,836</b>
		<u></u>	<u></u>
<b>Total assets less current liabilities</b>		<b>20,197</b>	<b>20,836</b>
		<u></u>	<u></u>
<b>Net assets</b>		<b>20,197</b>	<b>20,836</b>
		<u></u>	<u></u>
<b>Capital and reserves</b>			
Called up share capital	11	1,558	1,558
Profit and loss account	12	18,639	19,278
		<u></u>	<u></u>
<b>Shareholders' funds</b>	13	<b>20,197</b>	<b>20,836</b>
		<u></u>	<u></u>

These financial statements were approved by the board of directors on 23<sup>rd</sup> June 2015 and were signed on its behalf by:



**D McLean**  
Director



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

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***

Following the termination of the Company's principal operating activity in April 2014, the Company is planned to continue to operate as a going concern, with a principal activity of the provision of administration services to related group undertakings. The company is dependent for its working capital on financial support provided to it by a parent company, Maersk FPSOs A/S, who have indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company.

Under FRS 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of A.P. Møller - Mærsk A/S, it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned entities which form part of the group headed by A.P. Møller - Mærsk A/S.

#### ***Turnover***

Turnover represents the amount receivable in respect of day rate and tariff from vessel operations and management and is recognised on an accruals basis on delivery of the related goods and services until April 2013. Turnover from April 2013 onwards covers management fees and internal revenue generated as a result of the provision of administration services to related group undertakings, recognised on an accruals basis on delivery of the related services.

#### ***Leases***

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### ***Fixed assets and depreciation***

Fixed assets are recorded at cost. Depreciation is provided by the Company to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives from the date of being brought into use, as follows:

Leasehold improvements and fittings - 5 years

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using 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.

#### ***Taxation***

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### ***Dividends on shares presented within shareholders' funds***

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

## Notes (continued)

### 2 (Loss)/profit on ordinary activities before taxation

	2014 \$000	2013 \$000
<i>Loss on ordinary activities before taxation is stated after charging (crediting):</i>		
Depreciation	-	313
Net (gain)/loss on foreign exchange transactions	(673)	384
Gain on sale of fixed assets	(25)	-
Operating leases – bareboat charter	-	(16,008)
	<hr/>	<hr/>
<i>Auditor's remuneration</i>		
Audit of these financial statements	14	19
	<hr/>	<hr/>

2013 other operating income relates to discontinued operations and comprises \$16,008,000 income receivable by the company under the terms of its bareboat charter of the Maersk Curlew, for which an Advance Pricing Agreement is in place.

### 3 Employees and directors

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2014 Number	2013 Number
Operations	18	20
Administration	18	20
	<hr/>	<hr/>
	36	40
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2014 \$000	2013 \$000
Wages and salaries	2,253	1,076
Social security costs	221	333
Other pension costs	225	460
	<hr/>	<hr/>
	2,699	1,869
	<hr/>	<hr/>

The remuneration paid to Directors was as follows:

	2014 \$000	2013 \$000
Directors' emoluments	215	240
Company contributions to money purchase pension schemes	18	14
	<hr/>	<hr/>
	233	254
	<hr/>	<hr/>

One director (2013: one) is accruing benefits under the defined contribution pension schemes.

**Notes (continued)**

**4 Interest receivable and similar income**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Interest receivable on cash at bank	<b>112</b>	<b>140</b>

**5 Interest payable and similar charges**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Bank charges	<b>8</b>	<b>12</b>
Interest payable on cash at bank	<b>-</b>	<b>1</b>
	<b>8</b>	<b>13</b>

**6 Taxation**

<i>Analysis of charge in the year</i>	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
<i>Current tax</i>		
Current tax on income for the year	<b>-</b>	<b>-</b>
Adjustments in respect of prior periods	<b>(379)</b>	<b>-</b>
Total current tax	<b>(379)</b>	<b>-</b>
<i>Deferred tax</i>		
Origination of timing differences	<b>5</b>	<b>(37)</b>
Effect of change in tax rates	<b>-</b>	<b>96</b>
Adjustments in respect of the prior years	<b>113</b>	<b>312</b>
Total deferred tax	<b>118</b>	<b>371</b>
<b>Tax on loss on ordinary activities</b>	<b>(261)</b>	<b>371</b>

The current year adjustment to deferred tax in respect of prior year's relates to tax losses, previously recognised as a deferred tax asset.

## Notes (continued)

### 6 Taxation (continued)

#### *Factors affecting the tax charge/(credit) for the current year*

The current tax charge for the year is higher (2013: higher) than the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	2014 \$000	2013 \$000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before taxation	(900)	(878)
	<hr/>	<hr/>
Current tax at 21.5% (2013: 23.25%)	(193)	(204)
<i>Effects of:</i>		
Non-deductible expenses	-	28
Timing differences – losses carried forward	-	133
Timing differences – losses not recognised	193	-
Timing differences – depreciation and capital allowances	-	43
Adjustment in respect of prior periods	(379)	-
	<hr/>	<hr/>
	(379)	-
	<hr/>	<hr/>

#### *Factors affecting the future tax charge*

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2013) and to 23% (effective 1 April 2014) were substantively enacted on 26 March 2013 and 3 July 2013 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2014.

This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2014 has been calculated based on the rates of 20% (2013: 21%) substantively enacted at the balance sheet date.

### 7 Tangible fixed assets

	Land and buildings \$000
<i>Cost</i>	
At beginning and end of year	533
	<hr/>
<i>Depreciation</i>	
At beginning and end of year	533
	<hr/>
<i>Net book value</i>	
At 31 December 2014 and at 31 December 2013	-
	<hr/>

## Notes (continued)

### 8 Debtors

	2014 \$000	2013 \$000
Trade debtors	28	-
Amounts due from group undertakings	100,451	196,804
Other debtors	747	841
Deferred tax asset (see note 9)	120	238
Corporation tax receivable	370	-
Prepayments and accrued income	75	150
	<u>101,791</u>	<u>198,033</u>

### 9 Deferred tax

Deferred tax asset		\$000
At beginning of year		238
Charge to profit and loss for the year		(118)
At end of year		<u>120</u>
The elements of deferred taxation are as follows:	2014 \$000	2013 \$000
Difference between accumulated depreciation and capital allowances	120	124
Tax loss carried forward	-	114
	<u>120</u>	<u>238</u>

There are no unrecognised deferred tax assets or unprovided deferred tax liabilities.

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

	2014 \$000	2013 \$000
Trade creditors	3,076	2,243
Amounts due to group undertakings	77,599	174,671
Corporation tax payable	-	74
Other creditors including tax and social security	429	-
Accruals and deferred income	495	210
	<u>81,599</u>	<u>177,198</u>

## Notes (continued)

### 11 Called up share capital

	2014	2013
	\$	\$
<i>Allotted, called up and fully paid</i>		
1 million ordinary shares of £1 each	1,558,000	1,558,000

### 12 Reserves

	Profit and loss account \$000
At beginning of the year	19,278
Loss for the financial year	(639)
At end of year	18,639

### 13 Reconciliation of movements in shareholders' funds

	2014 \$000	2013 \$000
Loss for the financial year	(639)	(1,249)
Opening shareholders' funds	20,836	22,085
	20,197	20,836

### 14 Analysis of continuing and discontinued operations

	2014 Continuing \$000	2014 Dis- continuing \$000	2014 Total \$000	2013 Continuing \$000	2013 Dis- continuing \$000	2013 Total \$000
Turnover	3,577	-	3,577	3,417	1,031	4,448
Operating costs	(2,470)	-	(2,470)	(2,745)	(15,450)	(18,195)
Gross profit	1,107	-	1,107	672	(14,419)	(13,747)
Administrative expenses	(2,809)	-	(2,809)	(2,047)	(1,219)	(3,266)
Other operating income	698	-	698	-	16,008	16,008
Operating loss	(1,004)	-	(1,004)	(1,375)	370	(1,005)

Discontinued operations relate to the Company's former operation of a Floating Production and Storage Offloading facility up to April 2013.

### 15 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounts to \$224,772.

### 16 Commitments

The company had no capital commitments at the end of the current or prior financial year.

**Notes** *(continued)*

**17 Ultimate controlling party**

The Company is a subsidiary undertaking of Maersk FPSOs A/S which is the immediate parent company incorporated in Denmark. This is by virtue of its 100% holding of the issued share capital of the company.

Maersk FPSOs A/S's immediate holding company is A.P. Møller-Mærsk A/S, a company incorporated and listed in Denmark.