

**Neptune Midco 2 Limited**

**Annual report and financial statements**

**Registered number 08674938**

**31 December 2017**



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## Directors' report

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

### Principle activities

The company's principal activity is that of a holding company.

### Results and dividends

The loss for the year, after taxation, amounted to £2,484 (2016: £5,223). The directors do not recommend the payment of a dividend.

### Directors

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

N Butt  
A J Squire

### Going concern

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future based upon the results of its subsidiary undertakings. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

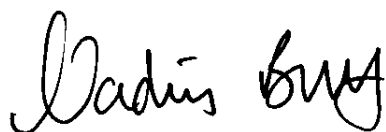
### Disclosure of information to auditor

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 the 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.

### Auditor

The directors have claimed exemption under section 479A of the Companies Act 2006, from the need to have these financial statements audited. A statement of guarantee by a parent undertaking, LOC Group Holdings Limited (registered number 08676704), has been filed at Companies House.

Signed by order of the directors



Address of registered office  
IBEX House  
42-47 Minories  
London  
EC3N 1DY

N Butt  
Director

1 August 2018

## **Statement of directors' responsibilities in respect of the annual 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 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 affairs of the company and of the 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 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 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.

## Profit and Loss Account and Other Comprehensive Income

for year ended 31 December 2017

	<i>Note</i>	<b>2017</b> £	2016 £
<b>Turnover</b>		-	-
<b>Gross profit</b>		-	-
Administrative expenses		(2,484)	(5,223)
<b>Operating loss</b>		(2,484)	(5,223)
Other interest receivable and similar income	2	3,241,460	3,490,186
Interest payable and similar expenses	3	(3,241,460)	(3,490,186)
<b>Loss before taxation</b>	4	(2,484)	(5,223)
Tax on loss	6	-	-
<b>Loss after taxation</b>		(2,484)	(5,223)

## Other comprehensive Income

for year ended 31 December 2017

	<i>Note</i>	<b>2017</b> £	2016 £
<b>Loss after taxation</b>		(2,484)	(5,223)
<b>Other comprehensive income</b>			
Income tax on other comprehensive income	6	-	-
<b>Other comprehensive income for the year, net of income tax</b>		-	-
<b>Total comprehensive income for the year</b>		(2,484)	(5,223)

All amounts arose from continuing operations during the current and previous period.

The notes on pages 6 to 14 form an integral part of these financial statements.

## Balance Sheet

at 31 December 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Investments	7	270,000	270,000
<b>Current assets</b>			
Debtors	8	41,633,507	38,392,048
<b>Creditors: amounts falling due within one year</b>	9	(2,484)	(4,523)
<b>Net current assets</b>		41,631,023	38,387,525
<b>Total assets less current liabilities</b>		41,901,023	38,657,525
<b>Creditors: amounts falling due after more than one year</b>	10	(41,638,730)	(38,392,748)
<b>Net assets</b>		262,293	264,777
<b>Capital and reserves</b>			
Called up share capital	11	270,000	270,000
Profit and loss account		(7,707)	(5,223)
<b>Shareholders' funds</b>		262,293	264,777

The notes on pages 6 to 14 form an integral part of these financial statements.

For the period ending 31 December 2017 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These financial statements were approved by the board of directors on 1 August 2018 and were signed on its behalf by:



**N Butt**  
Director

Company registered number: 08674938

## Statement of Changes in Equity

	<b>Called up Share capital</b>	<b>Profit and loss account</b>	<b>Shareholders' funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 January 2016	270,000	-	<b>270,000</b>
Loss after taxation	-	(5,223)	<b>(5,223)</b>
<b>Total comprehensive income for the period</b>			
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	<b>(5,223)</b>	<b>(5,223)</b>
<b>Transactions with owners, recorded directly in equity</b>			
Dividends	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-
<b>Balance at 31 December 2016</b>	<b>270,000</b>	<b>(5,223)</b>	<b>264,777</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 January 2017	270,000	(5,223)	<b>264,777</b>
Loss after taxation	-	(2,484)	<b>(2,484)</b>
<b>Total comprehensive income for the period</b>			
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	<b>(2,484)</b>	<b>(2,484)</b>
<b>Transactions with owners, recorded directly in equity</b>			
Dividends	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-
<b>Balance at 31 December 2017</b>	<b>270,000</b>	<b>(7,707)</b>	<b>262,293</b>

The notes on pages 6 to 16 form an integral part of these financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Neptune Midco 2 Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2015. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Related party transactions between two or more members of the same group; and
- Key Management Personnel compensation.

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

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future based upon the results of its subsidiary undertakings. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### 1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.



## Notes (Continued)

### 1 Accounting policies (Continued)

#### 1.4 Basic financial instruments

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Investments*

These are separate financial statements of the company. Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

#### 1.5 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## **Notes (Continued)**

### **2 Other interest receivable and similar income**

	2017	2016
	£	£
Interest receivable on loans to group undertakings	3,241,460	3,490,186
Total interest receivable and similar income	<u>3,241,460</u>	<u>3,490,186</u>

### **3 Interest payable and similar expenses**

	2017	2016
	£	£
Interest payable on loans to group undertakings	3,241,460	3,490,186
Total interest payable and similar expenses	<u>3,241,460</u>	<u>3,490,186</u>

### **4 Profit before taxation**

*Included in lost before taxation are the following:*

*Auditor's remuneration:*

	2017	2016
	£	£
Audit of these financial statements	-	2,884
Taxation compliance services	2,484	1,639

### **5 Directors' remuneration**

The directors' time devoted to management of Neptune Midco 2 Limited is considered to be immaterial and the directors are remunerated by LOC Group Limited, a subsidiary company registered at IBEX House, 42-47 Minories, London, EC3N 1DY.

## Notes (Continued)

### 6 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

#### Analysis of tax charge/(credit) for the period

	2017 £	2016 £
<i>Current tax</i>		
UK corporation tax at 19.25% (2016: 20.00%)	-	-
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
	<hr/>	<hr/>
	-	-
Tax on profit on ordinary activities	-	-
	<hr/>	<hr/>
<b>Provision for deferred tax</b>		
<i>Movement in provision:</i>		
Provision at start of period	-	-
Deferred tax charged in the Income statement for the period	-	-
	<hr/>	<hr/>
Provision at end of period	-	-
	<hr/>	<hr/>
Deferred tax (asset)/liability not recognised	-	-
	<hr/>	<hr/>
<b>Reconciliation of tax charge</b>		
Loss on ordinary activities before tax	(2,484)	(5,223)
Tax on loss on ordinary activities at standard CT rate of 19.25% (2016: 20.00%)	(478)	(1,045)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	368,083	409,219
Income not taxable for tax purposes	(368,083)	(409,219)
Group relief surrendered	478	1,045
	<hr/>	<hr/>
Tax charge/(credit) for the period	-	-
	<hr/>	<hr/>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

## Notes (Continued)

### 7 Fixed asset investments

	Shares in group undertakings	Total
	£	£
<b>Cost</b>		
At beginning of year	270,000	270,000
Additions	-	-
At end of year	270,000	270,000
<b>Net book value</b>		
At 31 December 2017	270,000	270,000
At 31 December 2016	270,000	270,000

## Notes (Continued)

### 7 Fixed asset investments (Continued)

The Company has the following investments in subsidiaries, associates and jointly controlled entities:

Companies	Address of registered office	Class of shares held	Ownership 2017	Ownership 2016
London Offshore Consultants (Australia) Pty Limited	7 Ventnor Avenue, PO Box 546, West Perth, Western Australia 6872	Ordinary	100.00%	100.00%
London Offshore Consultants Brasil Ltda.	Rua da Assembléia, 10, Suite 2920 Centro, Rio de Janeiro, CEP 20011-901, Brasil	Ordinary	100.00%	100.00%
London Offshore Consultants (Canada) Limited	1000 Windmill Road, Suite 26 Dartmouth, Nova Scotia, B3B 1L7, Canada	Ordinary	100.00%	100.00%
LOC (Tianjin) Co Ltd	E6B, 606/607, East Wing Binhai Finance Zone 20 Guang Chang Dong Road TEDA, Tianjin 300457 P.R. China	Ordinary	100.00%	100.00%
London Offshore Consultants (France) SARL	Tour de L'horloge, 4 Place Louis Armand, 75012 Paris, France	Ordinary	100.00%	100.00%
London Offshore Consultants (Guernsey) Limited	Hirzel Court, Hirzel Street, St Peter Port, Guernsey, GY1 2NN	Ordinary	100.00%	100.00%
LOC (Guernsey) Limited	Hirzel Court, Hirzel Street, St Peter Port, Guernsey, GY1 2NN	Ordinary	100.00%	100.00%
London Offshore Consultants (Hong Kong) Limited	Unit E, 14/F, Neich Tower, 128 Gloucester Road, Wan Chai, Hong Kong	Ordinary	100.00%	100.00%
Neptune Bidco Limited	Ibex House, 42-47 Minorities, London, EC3N 1DY, United Kingdom	Ordinary	100.00%	100.00%

## Notes (Continued)

### 7 Fixed asset investments (Continued)

Companies	Address of registered office	Class of shares held	Ownership	
			2017	2016
LOC Group Limited	Ibex House, 42-47 Minorities, London, EC3N 1DY, United Kingdom	Ordinary	100.00%	100.00%
London Offshore Consultants (Holdings) Limited	Ibex House, 42-47 Minorities, London, EC3N 1DY, United Kingdom	Ordinary	100.00%	100.00%
London Offshore Consultants (Aberdeen) Limited	Ibex House, 42-47 Minorities, London, EC3N 1DY, United Kingdom	Ordinary	100.00%	100.00%
London Offshore Consultants Limited	Ibex House, 42-47 Minorities, London, EC3N 1DY, United Kingdom	Ordinary	100.00%	100.00%
Longitude Consultancy Holdings Limited	Ibex House, 42-47 Minorities, London, EC3N 1DY, United Kingdom	Ordinary	100.00%	100.00%
Longitude Consulting Engineers Limited	Ibex House, 42-47 Minorities, London, EC3N 1DY, United Kingdom	Ordinary	100.00%	100.00%
London Offshore Consultants (India) Private Limited	413, E-Square Building Subhash Road, Vile Parle East Mumbai - 400057, Maharashtra India	Ordinary	100.00%	100.00%
London Offshore Consultants Korea Co Limited	20F. 534, Teheran-Ro, Gangnam-Gu, Seoul 06181, South Korea	Ordinary	100.00%	100.00%
London Offshore Consultants (Malaysia) SDN BHD (Dormant)	Suite 21.02 & 03, 21st Floor, Menara Haw Par, Jalan Sultan Ismail, 50250, Kuala Lumpur	Ordinary	90.20%	90.20%

## Notes (Continued)

### 7 Fixed asset investments (Continued)

Companies	Address of registered office	Class of shares held	Ownership	
			2017	2016
London Offshore Consultants Mexico SA de CV	Av. San Jeronimo 1740, Col. Lomas Quebradas, Deleg. Magdalena Contreras, Distrito Federal, C.P. 10000	Ordinary	100.00%	100.00%
Longitude Engineering de Mexico SA de CV	Av. San Jeronimo 1749, Col. Lomas Quebradas, Deleg. Magdalena Contreras, Distrito Federal, C.P. 10000	Ordinary	100.00%	100.00%
LOC (Netherlands) BV	Postbus 1144, 8900CC Lelouwarden, Heliconweg 52, 8914 AT, Leeuwarden, Netherlands	Ordinary	100.00%	100.00%
London Offshore Consultants (Nigeria) Limited	2A Adewale Kolawole Crescent, off Frank Kuboye Street, Oniru Extension, Lekki, Lagos	Ordinary	100.00%	100.00%
London Offshore Consultants Norge A/S	Stongsvingen 85 A, 4270 Åkrehamn, Norway	Ordinary	100.00%	100.00%
London Offshore Consultants (Qatar) LLC	PO Box 14172, Doha, Qatar	Ordinary	49.00%	49.00%
London Offshore Consultants PTE Limited	6 Shenton Way, 19-09 OUE Downtown Two, Singapore 068809	Ordinary	100.00%	100.00%
Longitude Engineering PTE Limited	6 Shenton Way, 19-09 OUE Downtown Two, Singapore 068809	Ordinary	100.00%	100.00%
LOC Laem Chabang Co Ltd	Harbor Mall Complex, 6A02 - 6A03, 6th Floor, 4/222 Moo 10, Sukhumvit Road, Thung Sukhla, Si Racha, Chon Buri, 20230, Thailand	Ordinary	100.00%	100.00%
London Offshore Consultants WLL	PO Box 46280, Mezzanine Floor, The Omran Tower, Abu Dhabi	Ordinary	49.00%	49.00%
London Offshore Consultants Inc	Sierra Pines II, 1575 Sawdust Road, Suite 200, The Woodlands, TX 77380, USA	Ordinary	100.00%	100.00%
Longitude Consultants Inc. (Dormant)	Sierra Pines II, 1575 Sawdust Road, Suite 200, The Woodlands, TX 77380, USA	Ordinary	100.00%	100.00%
London Offshore Consultants Vietnam Co Limited	Petro Vietnam Towers, 4th Floor, Suite 489, 08 Hoang Dieu Street, Ward 1, Vung Tau City	Ordinary	100.00%	100.00%
LOC (Kazakhstan) LLP	Office No.3, Building No. 34, Ind. Zone 3, Aktau, 130000, Mangistauskaya, Oblast, Republic of Kazakhstan	Ordinary	100.00%	-
LOC (Egypt) for Consultancy Service SAE	2nd Floor, 20 Mabrouk Shebl St., La-Selky, New Maadi, Cairo	Ordinary	60.00%	-
LOC (Tianjin) Risk Technology Service Co Ltd	Rm 1004, MSD B2, No.2 Ave, TEDA, Tianjin, P R China	Ordinary	100.00%	-

## Notes (Continued)

### 8 Debtors

	2017	2016
	£	£
Amounts owed by group undertakings	41,633,507	38,392,048
	<u>41,633,507</u>	<u>38,392,048</u>

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

	2017	2016
	£	£
Accruals and deferred income	2,484	4,523
	<u>2,484</u>	<u>4,523</u>

### 10 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Amounts owed to group undertakings	41,638,730	38,392,048
	<u>41,638,730</u>	<u>38,392,048</u>

### 11 Share capital

#### Share capital

#### *Allotted, called up and fully paid*

	2017	2016
	£	£
270,000 Ordinary shares of £1 each	270,000	270,000
	<u>270,000</u>	<u>270,000</u>

### 12 Ultimate parent company and parent company of larger group

The directors consider Neptune Midco 2 Limited, a company registered in England and Wales to be the company's immediate parent undertaking. The address of the parent of Neptune Midco 2 Limited is registered at IBEX House, 42-47 Minories, London, EC3N 1DY.

The ultimate parent undertaking is LOC Group Holdings Limited. The consolidated financial statements of LOC Group Holdings Limited are available to the public and may be obtained from; The Company Secretary, IBEX House, 42-47 Minories, London, EC3N 1DY.

There is no ultimate controlling party.