

Seascan Limited

Annual report and financial statements

Registered number SC197038

31 December 2014

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Contents

Directors and officers	1
Strategic report	2
Directors' report	3
Statement of directors' responsibilities in respect of the Strategic report, Directors' report and financial statements	4
Independent auditor's report to the members of Seascan Limited	5
Profit and loss account	6
Balance sheet	7
Notes	8

Directors and officers

Directors:

D R Currie
Dr B Bruggaier
K F Ovenden

Secretary:

Burness Paull LLP

Registered office:

Union Plaza (6th Floor)
1 Union Wynd
Aberdeen
AB10 1DQ

Auditor:

KPMG LLP
Chartered Accountants
37 Albyn Place
Aberdeen
AB10 1JB

Strategic report

The directors' present their Strategic report for the year ended 31 December 2014.

Principal activities and business model

The principal activity of the company is that of a holding company. The company holds investments in companies whose principal activities are those relating to the supply and rental of equipment and services to the offshore oil and gas industry.

Business review and results

The company continued to be non-trading in 2014.

The profit for the year, after taxation, amounted to £22,911,000 (2013: £1,000), reflecting the dividend income received from a subsidiary undertaking in the year of £22,900,000 (2013: £nil).

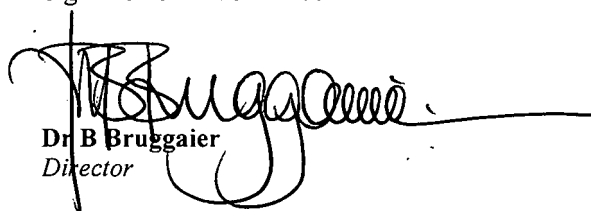
Principal risks and uncertainties

The directors consider the principal risk facing the company is the potential impairment in value of its underlying investments. The directors have taken steps to monitor this risk by the preparation and review of comprehensive monthly management financial reporting packages by its subsidiaries, which will alert them where appropriate to developments in trading performance and cash management.

Future developments

The directors believe that given the fall in the prevailing oil price, (which in 2014 fell from over \$100 per barrel to a low of \$47 per barrel and continues in 2015 to fluctuate between \$50-\$60 per barrel range), oil companies' capital and operational expenditure is expected to reduce in the short-term, impacting directly on the activity levels of its underlying investments. Measures are being taken by these companies however to mitigate the impact of this on margins and profitability, while seeking to retain their capabilities and capacity for when increased demand materialises.

Signed on behalf of the board


Dr B Bruggaier
Director

Union Plaza
1 Union Wynd
Aberdeen
AB10 1DQ

17 April 2015

Directors' report

The directors note that, as a result of the Strategic report and Directors' report regulations 2013 (which are amendments to the Companies Act 2006) some of the reporting which would previously have been contained within the Directors' report must now (along with certain other reporting) appear within the separate Strategic report. The Directors' report now contains the remaining information required by statute to be disclosed.

Proposed dividend

The directors paid an interim dividend of £23,000,000 (2013: £nil).

Directors

The directors who served during the year were as follows:

D R Currie
Dr B Bruggaier
K Ovenden

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

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


Dr B Bruggaier
Director

Union Plaza
1 Union Wynd
Aberdeen
AB10 1DQ

17 April 2015

Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Independent auditor's report to the members of Seascan Limited

We have audited the financial statements of Seascan Limited for the year ended 31 December 2014 set out on pages 6 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 4, 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 an audit of financial statements is provided on the Financial Reporting Council's website at 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 profit 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 Strategic report and 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.

Emily Young (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
37 Albyn Place
Aberdeen
AB10 1JB

23 April 2015

Profit and loss account
for the year ended 31 December 2014

	<i>Note</i>	2014 £000	2013 £000
Interest receivable and similar income	4	14	5
Interest payable and similar charges	5	-	(4)
Other finance income	6	22,900	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2-3	22,914	1
Tax on profit on ordinary activities	7	(3)	-
		<hr/>	<hr/>
Profit for the financial year	14	22,911	1
		<hr/> <hr/>	<hr/> <hr/>

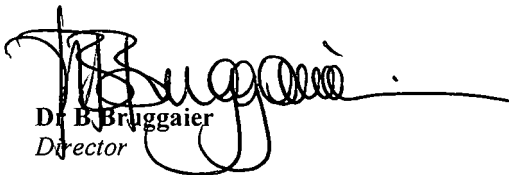
There were no recognised gains or losses other than those for the financial years reported above.

The operating result in the current and previous year arose wholly from continuing operations.

Balance sheet
at 31 December 2014

	Note	2014 £000	2013 £000
Fixed assets			
Investments	9	7,385	7,385
Current assets			
Debtors	10	893	972
Cash at bank and in hand		743	739
		<u>1,636</u>	<u>1,711</u>
Creditors: amounts falling due within one year	11	<u>(190)</u>	<u>(176)</u>
Net current assets		<u>1,446</u>	<u>1,535</u>
Net assets		<u><u>8,831</u></u>	<u><u>8,920</u></u>
Capital and reserves			
Called up share capital	12	100	100
Share premium account	13	6,781	6,781
Profit and loss account	14	1,950	2,039
Shareholders' funds	16	<u><u>8,831</u></u>	<u><u>8,920</u></u>

These financial statements were approved by the board of directors on 17 April 2015 and were signed on its behalf by:


Dr B. Bruggaier
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

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

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

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.

Going concern

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the responses of the directors of the company's parent, Acteon Group Limited, to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Acteon group to continue as a going concern or its ability to continue with the current banking arrangements.

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off.

Taxation

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

2 Notes to the profit and loss account

The company's audit fee of £1,000 (2013: £1,000) is borne on its behalf by a fellow subsidiary undertaking.

Amounts receivable by the company's auditor and its associates in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as the information is required to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent, Acteon Group Limited.

Notes *(continued)*

3 Directors' remuneration

No emoluments were paid to the directors who served during the year. These costs were borne by another group company. It is not possible to allocate a fair apportionment of these costs as services are provided to multiple entities.

4 Interest receivable and similar income

	2014 £000	2013 £000
Interest receivable	4	5
Net exchange gains	10	-
	<u>14</u>	<u>5</u>

5 Interest payable and similar charges

	2014 £000	2013 £000
Net exchange losses	-	4
	<u>-</u>	<u>4</u>

6 Other finance income

	2014 £000	2013 £000
Dividend income from subsidiary undertakings	22,900	-
	<u>22,900</u>	<u>-</u>

Notes (continued)

7 Taxation

Analysis of charge in year

	2014		2013	
	£000	£000	£000	£000
<i>UK corporation tax</i>				
Current tax on income for the year	3		-	
		3		-
Total current tax		3		-
Tax on profit on ordinary activities		3		-

Factors affecting the tax charge for the current and prior year

The effective rate for 2014 is a weighted average of the applicable corporation tax rates during the year. The 23% rate was reduced to 21% from 1 April 2014. The effective rate for 2013 is a weighted average of the applicable corporation tax rates during that year. The 24% rate was reduced to 23% from 1 April 2013.

The current tax charge (2013: charge) is lower than (2013: equal to) the standard rate of corporation tax in the UK, 21.50% (2013 23.25%) The differences are explained below:

	2014 £000	2013 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before taxation	22,914	1
Current tax at 21.50% (2013: 23.25%)	4,927	-
<i>Effects of:</i>		
Income not taxable	(4,924)	-
Total current tax charge (see above)	3	-

Factors affecting the future tax charge

The UK corporation tax rate, as substantively enacted on 2 July 2013, will reduce to 20% effective from 1 April 2015. This will reduce the company's future current tax charge accordingly.

8 Dividends

The aggregate amount of dividends comprises:

	2014 £000	2013 £000
Dividends paid on ordinary shares	23,000	-

Notes (continued)

9 Fixed asset investments

	Shares in subsidiary undertakings £000
<i>Cost and net book value</i>	
At beginning and end of year	7,385

The subsidiary undertakings at the year end were as follows:

Undertaking	Country of incorporation	Activity	Interest in ordinary shares at year end
Geoscan Group Limited	UK	Holding Company	100%
Seatronics Limited*	UK	Supply and rental of equipment and services to the ocean industry	100%
Seatronics Inc	USA	Supply and rental of equipment and services to the ocean industry	100%
Seatronics Pte Limited	Singapore	Supply and rental of equipment and services to the ocean industry	100%
Seatronics do Brasil Equipamentos Electronicos Limitada*	Brazil	Supply and rental of equipment and services to the ocean industry	100%

* Held indirectly

Notes (continued)

10 Debtors

	2014 £000	2013 £000
Amount owed by group undertakings	890	970
Other debtor	3	2
	<u>893</u>	<u>972</u>

11 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Amounts owed to group undertakings	187	176
Corporation tax	3	-
	<u>190</u>	<u>176</u>

12 Called up share capital

	2014 £000	2013 £000
<i>Authorised, allotted, called up and fully paid</i> 100,000 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

13 Share premium account

	2014 £000	2013 £000
At beginning and end of year	6,781	6,781
	<u>6,781</u>	<u>6,781</u>

14 Profit and loss account

	£000
At beginning of year	2,039
Profit for the financial year	22,911
Dividends on shares classified in shareholders' funds (note 8)	(23,000)
	<u>1,950</u>

15 Contingent liabilities

The company may, from time to time, be subject to claims or proceedings in the normal course of business. The directors believe, based on the information currently available to them, that the likelihood of a material outflow of economic benefit arising in relation to such matters is remote.

Notes (continued)

16 Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
Opening shareholders' funds	8,920	8,919
Profit for the financial year	22,911	1
Dividends on shares classified in shareholders' funds (note 8)	(23,000)	-
	<hr/>	<hr/>
Closing shareholders' funds	8,831	8,920
	<hr/>	<hr/>

17 Related party balances

Related party	Relationship	Balance	2014 Amount £000	2013 Amount £000
Acteon Group Limited	Parent undertaking	Debtor	89	89
Seatronics Limited	Subsidiary undertaking	Debtor	801	881
Seatronics Inc	Subsidiary undertaking	Creditor	187	176

There were no related party transaction in the current or prior year.

18 Parent and ultimate controlling party

The company is a subsidiary undertaking of Acteon Group Limited, incorporated in the United Kingdom.

The largest and smallest group in which the results of the company are consolidated is that headed by Acteon Group Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Cardiff, CF14 3UZ.

The company's ultimate parent undertaking is KKR Matterhorn Holdco Limited, a company incorporated in Jersey, and the ultimate controlling party is KKR & Co LP, a limited partnership listed on the New York Stock Exchange. The general partner of KKR & Co LP is KKR Management LLC.