Registered number: SC449498

DYAS MARINER LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

DYAS MARINER LIMITED

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DYAS MARINER LIMITED

COMPANY INFORMATION

DIRECTORS	M Q Hickin (appointed 6 September 2017) P J Waaijer A E Thompson R Baurdoux
REGISTERED NUMBER	SC449498
REGISTERED OFFICE	5th Floor Exchange Crescent Conference Square Edinburgh Lothian EH3 8UL
INDEPENDENT AUDITOR	KPMG LLP Statutory Auditor 15 Canada Square London E14 2HL
BANKERS	ING Bijlmerplein 888 1102 MG Amsterdam Netherlands
SOLICITORS	Ashurst Broadwalk House 5 Appold Street London EC2A 2HA

DYAS MARINER LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and the audited financial statements of Dyas Mariner Limited for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the company is to hold interests in oil and gas fields on the UK Continental Shelf for the exploration, appraisal, development and production of crude oil and natural gas. Dyas has in house geological and technical resources and expertise to play an active and constructive role as a joint venture partner. Oil and gas exploration and production activities carry a significant risk, even for best in class operators. Main asset of the company is a 6% interest in the Mariner area concessions and development project. Oil and gas developed reserves of Dyas Mariner Limited are 17 m barrels ("bbl") after a Final Investment Decision had been taken on the Mariner field development.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £5,9 million (2015 - £4,4 million). The directors have not recommended a dividend (2015: £Nil).

POLITICAL CONTRIBUTIONS

The Company made no political donations or incurred any political expenditure during the year (2015: £Nil).

GOING CONCERN

The company remains profitable and has net assets of £ 17,1 million (2015: £11,2 million). The directors have reviewed the company's working capital and cash flow requirements for the next 5 years, in addition to enquiries and examining areas which could give risk to financial exposure. Following this the directors have a reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future and at least a period of 12 months from approving these financial statements. As a result, they continue to adopt the going concern basis in preparing the accounts.

FINANCIAL RISKS AND UNCERTAINTIES

Foreign currency & commodity price risk

The Company is exposed to the risk of future oil and gas prices and currency exchange rate volatility. The company does actively manage these exposures and takes the gains and losses in the year incurred.

Fluctuations in oil prices influence the future turnover of the company. The USD exchange rate against the Pound Sterling is an important factor for the profitability of the company.
As the assets of the company are in their development phase, a discussion of KPI's is not necessary in order to gain an understanding of the business

Interest rate risk

The company's financing is internal to the SHV group. The company is exposed to the risk of future interest rate volatility, but due to the nature of the funding this is managed on a group basis.

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

Stephen Rennie (resigned 6 September 2017)
Peter Waaijer
Adam Euan Thompson
Robert Baurdoux
Matthew Quentin Hickin (appointed 6 September 2017)

DYAS MARINER LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

As permitted by the articles of Association, the Directors have the benefit of an indemnity which is a qualifying *third party indemnity provision* as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

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 that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that 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.

STRATEGIC REPORT

The company is not required to prepare a strategic report in accordance with section 414B of the Companies Act 2006.

INDEPENDENT AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board on 29 September 2017 and signed on its behalf.

Peter Waaijer
Director

Dyas Mariner Ltd
5th Floor
Exchange Crescent
Conference Square
Edinburgh
Lothian
EH3 8UL

DYAS MARINER LIMITED

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 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 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; 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DYAS MARINER LIMITED

We have audited the financial statements of Dyas Mariner Limited for the year ended 31 December 2016 set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 2016 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 matters prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DYAS MARINER LIMITED
(Continued)

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
- The directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

M Smith

Mark Smith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom
Date: 29/09/17

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £000	2015 £000
Administrative expenses		(3,476)	(1,938)
Operating loss	3	(3,476)	(1,938)
Interest payable and similar expenses	5	(3,602)	(605)
Loss before tax		(7,078)	(2,543)
Tax on loss	6	12,970	6,934
Profit for the financial year		5,892	4,391
Total comprehensive income for the year		5,892	4,391

There are no significant recognised gains or losses other than those stated above and therefore no separate statement of other comprehensive income has been prepared.

Operating results are wholly attributable to continuing operations.

The notes on pages 10 to 21 form part of these financial statements.

DYAS MARINER LIMITED
REGISTERED NUMBER: SC449498

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note		2016 £000		2015 £000
Fixed assets					
Intangible assets	7		-		13
Tangible assets	8		171,040		135,687
			171,040		135,700
Current assets					
Debtors: amounts falling due within one year	9	25,337		72,889	
		25,337		72,889	
Creditors: amounts falling due within one year	10	(58,304)		(83,104)	
Net current liabilities			(32,967)		(10,215)
Total assets less current liabilities			138,073		125,485
Creditors: amounts falling due after more than one year	11		(63,465)		(60,000)
Provisions for liabilities					
Deferred tax	12	(57,518)		(54,287)	
			(57,518)		(54,287)
Net assets			17,090		11,198
Capital and reserves					
Share capital	13		-		-
Profit and loss account	14		17,090		11,198
Total shareholders' funds			17,090		11,198

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

Peter Waaijer
Director
29/9/17

The notes on pages 10 to 21 form part of these financial statements.

DYAS MARINER LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 January 2016	-	11,198	11,198
Comprehensive income for the year			
Profit for the year	-	5,892	5,892
Total comprehensive income for the year	-	5,892	5,892
Total transactions with owners	-	-	-
At 31 December 2016	-	17,090	17,090

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Share Capital	Retained earnings	Total equity
	£000	£000	£000
At 1 January 2015	-	6,807	6,807
Comprehensive income for the year			
Profit for the year	-	4,391	4,391
Total comprehensive income for the year	-	4,391	4,391
Total transactions with owners	-	-	-
At 31 December 2015	-	11,198	11,198

The notes on pages 10 to 21 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

Dyas Mariner Limited (the "Company") is a private company incorporated, domiciled and registered in Scotland in the UK. The registered number is SC449498 and the registered address is 5th Floor,Exchange Crescent,Conference Square,Edinburgh, Lothian,EH3 8UL.The financial statements have been prepared on a going concern basis under the historical cost convention 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.

Going concern

The company remains profitable and has net assets of £ 17,1 million (2015: £11,2 million). The directors have reviewed the company's working capital and cash flow requirements for the next 5 years, in addition to enquiries and examining areas which could give risk to financial exposure.
Dyas UK Limited, confirms by a letter of support that they will provide sufficient financial support to Dyas Mariner Limited to ensure the continuity of the operations of Dyas Mariner Limited for the following twelve months from the date of this letter.
Following this the directors have a reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future and at least a period of 12 months from approving these financial statements. As a result, they continue to adopt the going concern basis in preparing the accounts.

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 2).

FRS 102 requires the company to prepare financial statements in accordance with applicable industry Statements of Recommended Practice (SORP) or disclose reasons for departure. The financial statements have been prepared in accordance with the provisions of the SORP "Accounting for Oil and Gas Exploration, Production and Decommissioning Activities" issued by the Oil Industry Accounting Committee.

The company engages in exploration and development in consortia with other partners. These financial statements reflect the relevant portions of costs, revenue, assets and liabilities applicable to the company's interest.

The following principal accounting policies have been applied:

1.2 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 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;

1. Accounting policies (continued)

- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of SHV Holdings N.V as at 31 December 2016 and these financial statements may be obtained from Rijnkade 1, 3511 LC Utrecht, The Netherlands.

1.3 Oil and Gas tangible and intangible assets

The company accounts for exploration and development costs on the 'successful efforts' basis whereby all licence acquisition, exploration and appraisal drilling costs are initially capitalised as intangible fixed assets pending determination of their commercial viability. Expenditure incurred during the various exploration and appraisal phases is then written off unless commercial reserves have been established or the determination process has not been complete. Expenditure incurred prior to the acquisition of a licence and the costs of other exploration activities which are not specifically directed to an identified structure are written off in the year. After appraisal, if commercial reserves are found then the net capitalised costs incurred in discovering the field are transferred into tangible fixed assets in a single field cost centre. Any subsequent development costs are capitalised in these cost centres.

General and administrative expenditure is capitalised only where it directly relates to activities where the costs of which are also capitalised. Borrowing costs are capitalised as part of the cost of development to the extent that related borrowings are used to finance major development projects. All other costs are expensed including periodic licence fees.

Depreciation of exploration and development costs is provided using the unit-of-production method based on proven and probable reserves. Any changes in reserves are accounted for prospectively. The cost element in the unit of production calculation is represented by the net book value of costs incurred to date plus future development costs. Depreciation is charged to cost of sales.

1.4 Impairment of fixed assets

Impairment indicators which will lead to exploration and evaluation assets impairment are as follows:
-the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed
-substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
-Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in specific areas
-Sufficient data exist to indicate that although a development in the specific areas is likely to proceed, the carrying amount of exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where there are indicators of impairment, reviews are performed at the period end for each oil and gas field, based on discounted cash flows in accordance with FRS 102. Estimates of future oil and gas prices, foreign exchange rates, decommissioning and other costs are utilised in the determination of future cash flows. No deduction is made to reflect quantities included as reserves which are expected to be consumed in operations. Reversals of previously recorded impairment deficits are recognised only if supported by changes in estimates utilised in the impairment review process.

Oil and Gas properties are particularly sensitive to the price assumptions made in the impairment calculations. To illustrate this, the price for oil and gas have been varied by +/-10%. Changes in price generate different production profiles but generally, all operating costs, life of field capital expenditure and abandonment expenditure assumptions remain unchanged. A reduction of 10% would give no

1. Accounting policies (continued)

rise to post-tax impairments of the underlying exploration and production assets.

1.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.
All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

1.6 Basic financial instruments

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.

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.

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.

1.7 Expenses

Interest receivable and Interest payable
Interest payable and similar expenses include interest payable, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).
Other interest receivable and similar income include interest receivable on net foreign exchange gains.
Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.8 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.

1. Accounting policies (continued)

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 Profit and Loss Account 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 Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

1.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Management has to make estimates and judgements when preparing the financial statements of the Company. Uncertainties in the estimates and judgements could have an impact on the carrying amount of assets and liabilities and the Company's result. The most important estimates and judgements in relation thereto are as follows:

Estimates in oil and gas reserves
Estimates of oil and gas reserves are used in the calculations for impairment tests and accounting for depletion and decommissioning. Changes in estimates of oil and gas reserves resulting in different future production profiles will affect the discounted cash flows used in impairment testing, the anticipated date of decommissioning and the depletion charges in accordance with the unit-of-production method.

Decommissioning provision
Amounts used in accounting for a provision for decommissioning are estimates based on current legal and constructive requirements, and current technology and price levels for the removal of facilities and plugging and abandoning of wells. Due to changes in relation to these items, the future actual cash outflows in relation to decommissioning are likely to differ in practice. To reflect the effects due to changes in legislation. Requirements and technology and price levels, the carrying amounts of decommissioning provisions are reviewed on a regular basis.

The effects of changes in estimates do not give rise to prior year adjustments and are dealt with prospectively. While the Company uses its best estimates and judgement, actual results could differ from these estimates. In estimating decommissioning provisions, the Company applies an annual inflation rate of 1.6% (2015: 2.5%) and an annual discount rate of 1.4% for provisions. The decommissioning provision represents the present value of decommissioning costs relating to oi I and gas interests in the UK which are expected to be incurred up to 2038 (2015: 2038).

Impairment of oil and gas properties
Determination of whether oil and gas properties have suffered any impairment requires an estimation of the fair value less costs to sell of the Cash-generating units (CGU). Assumptions involved in impairment measurement include estimates of commercial reserves and production volumes, future oil and gas prices and the level and timing of expenditures, all of which are inherently uncertain. The principal cause of the impairment charge being recognised in the year is a reduction in the short to medium term oil price assumption being used when determining the future discounted cash flows for each field.

The calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate. In calculating the value of the CGU, the future cash flows were estimated using management's best estimates of dated Brent oil prices and NBP gas prices. The future cash flows were discounted using a discount rate between a range of 7.5% - 8.5% (2015: 7.5% - 8.5%).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3. Operating loss

The operating loss is stated after charging:

	2016 £000	2015 £000
Amortisation of intangible assets, including goodwill	47	887
Exchange differences	3,068	539

Due to the nature of the operations of the Group, the remuneration of the directors for their services to the Company is not contained in the records of the Company, as the amount of work performed by the directors for the Company is included in the management fee. The directors are remunerated for their services to the Dyas group as a whole, which is disclosed in the consolidated financial statements of Dyas B.V. and in the consolidated financial statements of Calor Group Ltd. The estimated remuneration to the company for all directors is £6,000. (2015 - £ 6,000).

4. Auditor's remuneration

	2016 £000	2015 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	14	14

5. Interest payable and similar expenses

	2016 £000	2015 £000
Interest – Bank Deposits	135	605
Loans from group undertakings	3,465	-
Other Interest Payable	2	-
	3,602	605

6. Tax on profit

	2016 £000	2015 £000
Corporation tax		
Current tax on loss for the year	(16,431)	(31,795)
Prior year adjustments	229	2,199
	(16,202)	(29,596)
Total current tax	(16,202)	(29,596)
Deferred tax		
Origination and reversal of timing differences	14,272	22,662
Effect of rate change	(10,875)	-
Other	(165)	-
Total deferred tax	3,232	22,662
Taxation on loss	(12,970)	(6,934)

6. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 40.00% (2015 – 50.00%). The differences are explained below:

	2016 £000	2015 £000
Loss before tax	(7,078)	(2,543)
Loss multiplied by standard rate of corporation tax in the UK of 40.00% (2015 - 50.00%)	(2,831)	(1,272)
Effects of:		
Change in tax rate	(10,875)	(5,687)
Other	736	25
Total tax credit for the year	(12,970)	(6,934)

The rate of 40% has been calculated by adding 10% supplementary corporation tax to the standard rate of ring fence corporation tax of 30%.

Factors that may affect future tax charges

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. The deferred tax balance at 31 December 2016 has been calculated based on these rates..

7. Intangible assets

	Development
	£000
Cost	
At 1 January 2016	900
Additions	34
At 31 December 2016	934
Amortisation	
At 1 January 2016	887
Charge for the year	47
At 31 December 2016	934
Net book value	
At 31 December 2016	-
At 31 December 2015	13

8. Tangible fixed assets

	Oil and gas properties
	£000
Cost	
At 1 January 2016	135,687
Additions	35,353
At 31 December 2016	171,040
Net book value	
At 31 December 2016	171,040
At 31 December 2015	135,687

No depreciation required as the Mariner asset is still under construction and not producing yet.

9. Debtors

	2016 £000	2015 £000
Amounts owed by group undertakings	22,744	68,479
Prepayments and accrued income	2,593	4,410
	25,337	72,889

The amounts owed by group undertakings are unsecured, repayable on demand and accrue no interest.

10. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Bank overdrafts	24,623	46,829
Trade creditors	-	78
Amounts owed to group undertakings	17,135	17,085
Accruals	16,546	19,112
	58,304	83,104

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

11. Creditors: Amounts falling due after more than one year

	2016 £000	2015 £000
Amounts owed to group undertakings	63,465	60,000
	63,465	60,000

The intercompany loan of £ 63.5 million is owed to Dyas UK Limited interest is charged at 5% above 3 months LIBOR and the loan is repayable on 30 June 2018.

12. Deferred taxation

	Deferred tax £000
At 1 January 2016	(54,287)
Charged to the profit or loss	(3,231)
At 31 December 2016	(57,518)

The provision for deferred taxation is made up as follows:

	2016 £000	2015 £000
Fixed assets temporary difference	(67,866)	(66,943)
Loss position	10,348	12,656
	(57,518)	(54,287)

13. CALLED UP SHARE CAPITAL

	2016 £	2015 £
Allotted, called up and fully paid		
101 (2015: 101) Ordinary shares of £1 (2015: £1) each	101	101

14. Reserves

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the company.

15. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Dyas UK Limited, a company incorporated in the UK which owns 100% of the issued share capital of the company. SHV Holdings N.V is the ultimate parent undertaking and controlling party of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2016. The consolidated financial statements of SHV Holdings N.V. can be obtained from Rijnkade 1, 3511 LC Utrecht, The Netherlands.

16. Capital Commitments

At 31 December 2016 the company had capital commitments as follows:

	2016	2015
	£000	£000
Contracted for but not provided in these financial statements	**54,066**	74,364

Capital commitments relates to commitments for the Mariner project.