

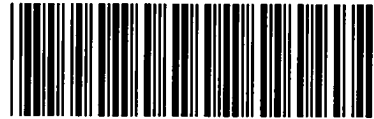
Registered number: SC449498

DYAS MARINER LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

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DYAS MARINER LIMITED

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DYAS MARINER LIMITED

COMPANY INFORMATION

Directors	Stephen Rennie Peter Waaijer Adam Euan Thompson Robert Baurdoux James Kearney (resigned 30 May 2015)
Registered number	SC449498
Registered office	5th Floor Exchange Crescent Conference Square Edinburgh Lothian EH3 8UL
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Cornwall Court 19 Cornwall Street Birmingham B3 2DT
Bankers	HBOS 38 Threadneedle Street London EC2P 2HL
Solicitors	Ashurst Broadwalk House 5 Appold Street London EC2A 2HA

DYAS MARINER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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

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. Oil and gas developed reserves of Dyas Mariner Limited are 14 m barrels ("bbl") after a Final Investment Decision had been taken on the Mariner field development.

Results

The profit for the financial year amounted to £0.2m (2013: £6.6m).

Directors

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

Stephen Rennie
Peter Waaijer
Adam Euan Thompson
Robert Baurdoux
James Kearney (resigned 30 May 2015)

Directors' third party indemnities

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.

DYAS MARINER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Directors' responsibilities statement

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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the audited 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Independent auditors

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 25th Sept 2015 and signed on its behalf by:



Peter Waaijer
Director

DYAS MARINER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DYAS MARINER LIMITED

Report on the financial statements

Our opinion

In our opinion, Dyas Mariner Limited's financial statements (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 United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DYAS MARINER LIMITED

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Phil Harrold (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

Date:

29/09/2015

DYAS MARINER LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

		Year ended 31 December 2014 £000	8 month period ended 31 December 2013 £000
	Note		
Administrative expenses		<u>(287)</u>	<u>-</u>
OPERATING (LOSS)/RESULT	2	(287)	-
Interest payable and similar charges		<u>(164)</u>	<u>-</u>
(LOSS)/RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		(451)	-
Tax on loss on ordinary activities	3	<u>624</u>	<u>6,634</u>
PROFIT FOR THE FINANCIAL YEAR/PERIOD	9	<u><u>173</u></u>	<u><u>6,634</u></u>

There are no material differences between the (loss)/result on ordinary activities before taxation and the retained profit for the financial year/period stated above and their historical cost equivalents.

The notes on pages 8 to 14 form part of these financial statements.

DYAS MARINER LIMITED
REGISTERED NUMBER: SC449498

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£000	2014 £000	2013 £000
FIXED ASSETS				
Tangible assets	4		75,072	16,833
CURRENT ASSETS				
Debtors	5	47,917		10,436
Cash at bank and in hand		72	-	
		<u>47,989</u>	<u>10,436</u>	
CREDITORS: amounts falling due within one year	6	<u>(60,766)</u>	<u>(16,833)</u>	
NET CURRENT LIABILITIES			<u>(12,777)</u>	<u>(6,397)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>62,295</u>	<u>10,436</u>
CREDITORS: amounts falling due after more than one year	7		<u>(16,833)</u>	-
PROVISIONS FOR LIABILITIES				
Taxation, including deferred taxation	8		<u>(38,655)</u>	<u>(3,802)</u>
NET ASSETS			<u>6,807</u>	<u>6,634</u>
CAPITAL AND RESERVES				
Profit and loss account	9		<u>6,807</u>	<u>6,634</u>
TOTAL SHAREHOLDERS' FUNDS			<u>6,807</u>	<u>6,634</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 6 to 14 were approved and authorised for issue by the board and were signed on its behalf on *25th Sept 2015* by:


Peter Waaijer
 Director

The notes on pages 8 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008). The principal accounting policies, which have been applied consistently throughout the year, are set out below.

FRS 18 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.

1.2 Cash flow

The financial statements do not include a Cash Flow Statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.3 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 period. 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.

DYAS MARINER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.4 Impairment of fixed assets

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

1.5 Functional currency

The directors consider the functional currency of the company to be UK Pounds Sterling.

2. OPERATING (LOSS)/RESULT

Fees for audit related services of £7,000 (2013: £2,000) are borne by another group company and not recharged (2013: Not recharged). There has been no provision for non-audit services in the year (2013: £Nil).

3. TAX ON (LOSS)/RESULT ON ORDINARY ACTIVITIES

	Year ended 31 December 2014 £000	8 month period ended 31 December 2013 £000
Analysis of tax credit in the year/period		
Current tax		
UK corporation tax credit on (loss)/result for the year/period	(28,447)	(10,436)
Deferred tax (see note 8)		
Origination and reversal of timing differences	27,823	3,802
Tax on (loss)/result on ordinary activities	(624)	(6,634)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

3. TAX ON (LOSS)/RESULT ON ORDINARY ACTIVITIES (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2013: lower than) the standard rate of corporation tax in the UK of 62% (2013: 62%). The differences are explained below:

	Year ended 31 December 2014 £000	8 month period ended 31 December 2013 £000
Loss on ordinary activities before tax	(451)	-
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 62% (2013: 62%)	(280)	-
Effects of:		
Capital allowances for year/period in excess of depreciation	(28,220)	(10,436)
Other	53	-
Current tax credit for the year/period	(28,447)	(10,436)

The rate of 62% has been calculated by adding 32% supplementary corporation tax rate, introduced on 24 March 2011, to the standard rate of ring fence corporation tax of 30%.

Factors that may affect future tax charges

The March 2013 Budget Statement announced changes to the UK Corporation tax rates that were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These reduced the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015. As the changes have been substantively enacted at the balance sheet date their effects are included in these financial statements. The July 2015 Budget Statement announced further changes to the UK Corporation tax rate which will reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes have not been substantively enacted at the balance sheet date their effects are not included in these financial statements. Accordingly, the deferred tax balance has been calculated using a rate of 20%.

DYAS MARINER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

4. TANGIBLE ASSETS

	Oil and gas properties £000
Cost	
At 1 January 2014	16,833
Additions	58,239
	<u>75,072</u>
At 31 December 2014	<u>75,072</u>
Accumulated depreciation	
At 1 January 2014 and 31 December 2014	-
	<u>-</u>
Net book value	
At 31 December 2014	<u>75,072</u>
	<u>16,833</u>
At 31 December 2013	<u>16,833</u>

5. DEBTORS

	2014 £000	2013 £000
Amounts owed by group undertakings	38,889	10,436
Prepayments and accrued income	1,998	-
Deferred tax asset (see note 8)	7,030	-
	<u>47,917</u>	<u>10,436</u>

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

**6. CREDITORS:
Amounts falling due within one year**

	2014 £000	2013 £000
Bank loans and overdrafts	44,900	-
Trade creditors	6	-
Amounts owed to group undertakings	19	16,833
Other creditors	15,841	-
	<u>60,766</u>	<u>16,833</u>

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

DYAS MARINER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

7. CREDITORS:
Amounts falling due after more than one year

	2014	2013
	£000	£000
Amounts owed to group undertakings	16,833	-

Amounts owed to group undertakings are unsecured, interest free and repayable at least one year after the balance sheet date.

8. TAXATION, INCLUDING DEFERRED TAXATION

	2014	2013
	£000	£000
At beginning of year/period	3,802	-
Charge for year/period (P&L)	27,823	3,802
At end of year/period	31,625	3,802

The provision for deferred taxation is made up as follows:

	2014	2013
	£000	£000
Accelerated capital allowances	38,655	10,436
Tax losses carried forward	(7,030)	(6,634)
	31,625	3,802

comprising:

	2014	2013
	£000	£000
Asset - due within one year	(7,030)	-
Liability	38,655	3,802
	31,625	3,802

9. PROFIT AND LOSS ACCOUNT

	Profit and loss account £000
At 1 January 2014	6,634
Profit for the financial year	173
At 31 December 2014	6,807

DYAS MARINER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10. Oil & Gas reserves

Net commercial Oil and Gas Reserve Quantities for the year ended 31 December 2014.

	Oil million barrels
Net commercial reserves	
Beginning of year:	
- commercial developed reserves	14.0
	<u>14.0</u>
Changes during the year	
- purchases of reserves in place	-
- production	-
	<u>-</u>
Net commercial reserves	
End of year:	
- commercial developed reserves	14.0
	<u>14.0</u>

11. CAPITAL COMMITMENTS

At 31 December the company had capital commitments as follows:

	2014 £000	2013 £000
Contracted for but not provided in these financial statements	<u><u>104,423</u></u>	<u><u>202,456</u></u>

DYAS MARINER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

12. RELATED PARTY TRANSACTIONS

During the year/period the group entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

2014

	Purchases from £000	Sales to £000	Amount owed to £000	Year ended 31 December Amounts owed from £000
Dyas UK Limited	-	-	16,833	-

2013

	Purchases from £000	Sales to £000	Amount owed to £000	Amounts owed from £000
Dyas UK Limited	-	-	16,833	-

13. 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 2014. The consolidated financial statements of SHV Holdings N.V. can be obtained from Rijnkade 1, 3511 LC Utrecht, The Netherlands.