Registration number 06715021 (England and Wales)

AF DECOM OFFSHORE UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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AF DECOM OFFSHORE UK LIMITED
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AF DECOM OFFSHORE UK LIMITED
COMPANY INFORMATION

Directors	Robert Haugen
	Bengt Hildisch
	Amund Toftum
	Lars Myhre Hjelmeset
Company secretary	Goodwille Limited
Registered office	St James House 13 Kensington Square London W8 5HD
Auditors	Ernst & Young LLP Statutory Auditor Apex Plaza Forbury Road Reading RG1 1YE

AF DECOM OFFSHORE UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the audited financial statements for the year ended 31 December 2011

Principal activity
The principal activity of the company is the provision of management services to a fellow subsidiary undertaking

Going concern
The company has financial resources and continued support from the parent company As a consequence, the directors believe that the company is well placed to manage any business risks successfully

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt a going concern basis in preparing the annual report and accounts

Directors of the company
The directors who held office during the year and up to the date of signing these financial statements were as follows

Robert Haugen

Bengt Hildisch

Amund Toftum

Lars Myhre Hjelmeset

During the year, none of the directors were paid any remuneration by the company (2010 nil)

Disclosure of information to the auditors
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information (as defined by section 418 of the Companies Act 2006) and to establish that the company's auditors are aware of that information The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware

Reappointment of auditors
The auditors Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006

Small company provisions
The directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006 in preparing their Directors' Report

Approved by the Board on 26.9.12 and signed on its behalf by

Bengt Hildisch
Director

AF DECOM OFFSHORE UK LIMITED

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 elected to prepare 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 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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF AF DECOM OFFSHORE UK LIMITED

We have audited the financial statements of AF Decom Offshore UK Limited for the year ended 31 December 2011, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's member 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 member as a body, those matters we are required to state 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 member as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements
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 In addition, we read all the financial and non-financial information in the Directors' Report and financial statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 2011 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

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF AF DECOM OFFSHORE UK 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 in preparing the Directors' Report

Ernst & Young LLP

Richard Chatwin (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditors
READING
Date 27 SEPTEMBER 2012

AF DECOM OFFSHORE UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
Turnover	2	326,455	116,017
Selling and Marketing costs		(107,784)	-
Administrative expenses		(189,121)	(105,462)
Operating profit	3	29,550	10,555
Interest receivable and similar income	5	172	-
Interest payable and similar charges	6	-	(8)
Profit on ordinary activities before taxation		29,722	10,547
Tax on profit on ordinary activities	7	(8,327)	(2,995)
Profit for the finanical year	11	21,395	7,552

Continuing operations
Turnover and operating profit derive wholly from continuing operations

Total recognised gains and losses
The company has no recognised gains or losses for the year other than the results above

AF DECOM OFFSHORE UK LIMITED
(REGISTRATION NUMBER: 06715021)
BALANCE SHEET AT 31 DECEMBER 2011

	Note	2011 £	2010 £
Current assets			
Debtors	8	81,658	124,241
Cash at bank and in hand		386,835	4,520,392
		468,493	4,644,633
Creditors: Amounts falling due within one year	9	(423,347)	(4,620,882)
Net current assets		45,146	23,751
Net assets		45,146	23,751
Capital and reserves			
Called up share capital	10	10,000	10,000
Profit and loss account	11	35,146	13,751
Shareholder's funds		45,146	23,751

Approved and authorised for issue by the Board on 26.9.12 and signed on its behalf by

Bengt Hildisch
Director

The notes on pages 8 to 13 form an integral part of these financial statements

AF DECOM OFFSHORE UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES

Going concern
The financial statements have been prepared on a going concern basis in view of continued support from parent company for the foreseeable future

Basis of preparation
The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards

In accordance with Financial Reporting Standard No 18 "Accounting Policies" the company's directors have reviewed the company's accounting policies and confirm that they continue to be the most appropriate

A summary of the significant accounting policies which have been consistently applied in the current year and the preceding period is set out below

Exemption from preparing a cash flow statement
The company has taken advantage of the exemption conferred by Financial Reporting Standard No 1 (Revised 1996), from presenting a cash flow statement on the grounds that it qualifies as a subsidiary undertaking, 90% or more of whose voting rights is controlled within the group and consolidated financial statements (which includes the company) is publicly available

Turnover
Turnover represents fees receivable, net of value added tax, in respect of services provided to a fellow subsidiary undertaking

During the period the company acted as agent for AF Decom Offshore A/S, a fellow subsidiary undertaking registered in Norway, in respect of an offshore contract Under a sub contract agreement with the company, the fellow subsidiary assumed the responsibility for fulfilment of the contract and as such assumed all the risks and rewards associated with the contract During the period contract income of £783,000 (2010 £10 9m) and costs of £492,000 (2010 £4 4m) were recognised in the fellow subsidiary under the terms of the subcontract agreement The offshore contract came to an end before the year end and the company is currently actively pursuing other similar contracts

Taxation
Current tax represents the expected tax payable (or recoverable) on the taxable profits for the year using tax rates enacted or substantively enacted at the balance sheet date and taking into account any adjustments arising from prior years

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted or substantially enacted at the balance sheet date

1 ACCOUNTING POLICIES - (CONTINUED)

Foreign currencies
Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account

Estimates
Financial statements prepared in accordance with United Kingdom generally accepted accounting practice require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period The company makes estimates and assumptions concerning the future and other key sources of estimation uncertainty Actual results could differ materially from those estimates The company makes significant assumptions in its determination of a number of assets and liabilities including prepaid expenses, accrued income and accrued expenses

Financial instruments
Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Pensions
The company operates a defined contribution pension scheme Contributions are recognised in the profit and loss account in the period in which they become payable

2 TURNOVER

In the opinion of the directors the company's turnover, profit before tax and net assets are not attributable to classes of business or geographical segments which differ substantially from each other

3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2011 £	2010 £
Foreign currency (gains)/losses	-	15
Auditor's remuneration	7,250	12,500

4 DIRECTORS' REMUNERATION

No remuneration was paid to the directors during the year (2010 nil)

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 £	2010 £
Other interest receivable	172	-

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Other interest payable	-	8

7 TAXATION

Tax on profit on ordinary activities

	2011 £	2010 £
Current tax		
Corporation tax charge	8,327	2,995

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 26 5% (2010 - 28%)

The differences are reconciled below

	2011 £	2010 £
Profit on ordinary activities before taxation	29,722	10,547
Corporation tax at standard rate	7,876	2,953
Expenses not deductible for tax purposes	451	42
Total current tax	8,327	2,995

There are no deferred tax assets or liabilities

8 DEBTORS

	2011 £	2010 £
Trade debtors	37,355	110,521
Amount owed by immediate parent undertaking	-	10,000
Other debtors	42,057	3,494
Prepayments	2,246	226
	81,658	124,241

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade creditors	9,663	117,318
Corporation tax	8,327	2,996
Amount due to fellow subsidiary undertaking	351,636	4,465,229
Other taxes and social security	3,291	-
Other creditors	1,680	-
Accruals	48,750	35,339
	423,347	4,620,882

10 SHARE CAPITAL

Allotted, called up and fully paid shares

	2011		2010	
	No.	£	No.	£
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

11 RESERVES

	Profit and loss account £
At 1 January 2011	13,751
Profit for the year	21,395
At 31 December 2011	35,146

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2011 £	2010 £
Profit attributable to the member of the company	21,395	7,552
Shareholder's funds at 1 January	23,751	16,199
Shareholder's funds at 31 December	45,146	23,751

13 PENSION SCHEMES

Defined contribution pension scheme

The company operates a defined contribution pension scheme The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £1,400 (2010 - £nil)

Contributions totalling £1,680 (2010 - £nil) were payable to the scheme at the end of the year and are included in creditors

14 FINANCIAL INSTRUMENTS

The company has taken advantage of the disclosure requirements set out within Financial Reporting Standard No 25 "Financial Instruments disclosure and presentation" on the grounds it qualifies as a subsidiary, 90 per cent or more whose voting rights are controlled within the group

15 RELATED PARTY TRANSACTIONS

The company has taken advantage of the provisions of the Financial Reporting Standard Number 8 which exempts wholly owned subsidiary undertakings from disclosing transactions with entities that are part of the group or investees of the group qualifying as related parties

16 CONTROLLING PARTY

The company is controlled by AF Miljø A/S, an undertaking registered in Norway.

The ultimate controlling party is AF Gruppen ASA, an undertaking registered in Norway and listed on the Oslo Stock Exchange (AFG) The smallest and the largest group in which the company's accounts are consolidated is that headed by AF Gruppen ASA, accounts of which are available from www afgruppen no