

Registration number 06715021 (England and Wales)

AF DECOM OFFSHORE UK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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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 Hjelmset
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 2012

The directors present their report and the audited financial statements for the year ended 31 December 2012

Principal activity

The principal activity of the company is the provision of management services

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 Hjeltnes

During the year, none of the directors were paid any remuneration by the company (2011: 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 of.

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 24 September 2013 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 2012, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. 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 2012 and of its loss 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, or
- 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 Auditor

Date **26 SEPTEMBER 2013**

AF DECOM OFFSHORE UK LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
Turnover	2	483,810	326,455
Selling and Marketing costs		(354,308)	(107,784)
Administrative expenses		<u>(154,872)</u>	<u>(189,121)</u>
Operating (loss)/profit	3	(25,370)	29,550
Interest receivable and similar income	6	2,918	172
Interest payable and similar charges	7	<u>(32)</u>	<u>-</u>
(Loss)/profit on ordinary activities before taxation		(22,484)	29,722
Tax on (loss)/profit on ordinary activities	8	<u>-</u>	<u>(8,327)</u>
(Loss)/profit for the financial year	13	<u><u>(22,484)</u></u>	<u><u>21,395</u></u>

Continuing operations

Turnover and Operating (Loss) / 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 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible fixed assets	9	<u>8,740</u>	<u>-</u>
Current assets			
Debtors	10	483,085	81,658
Cash at bank and in hand		<u>127,064</u>	<u>386,835</u>
		610,149	468,493
Creditors. Amounts falling due within one year	11	<u>(596,227)</u>	<u>(423,347)</u>
Net current assets		<u>13,922</u>	<u>45,146</u>
Net assets		<u>22,662</u>	<u>45,146</u>
Capital and reserves			
Called up share capital	12	10,000	10,000
Profit and loss account	13	<u>12,662</u>	<u>35,146</u>
Shareholder's funds		<u>22,662</u>	<u>45,146</u>

Approved and authorised for issue by the Board on 24 September 2013 and signed on its behalf by


Bengt Hildisch
Director

AF DECOM OFFSHORE UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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, being a period of at least twelve months from the date of approval of the financial statements

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 during the year

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 £2,591,799 (2011 £783,000) and costs of £2,443,345 (2011 £492,000) 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

Tangible fixed assets

Tangible fixed assets are recorded at historical cost less accumulated depreciation. Cost comprises the purchase price together with all expenses directly incurred in bringing the asset to its location and condition ready for use

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Asset class	Depreciation method and rate
Office equipment	Straight line over 3 years

AF DECOM OFFSHORE UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

1 ACCOUNTING POLICIES - (CONTINUED)

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

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

AF DECOM OFFSHORE UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

2 TURNOVER

During the year 44 94% of the company's turnover related to exports (2011 - 100%)

An analysis of turnover by geographical location is given below

	2012 £	2011 £
Sales - UK	266,388	-
Sales - Europe	217,422	326,455
	<u>483,810</u>	<u>326,455</u>

3 OPERATING LOSS / PROFIT

Operating (loss)/profit is stated after charging/(crediting)

	2012 £	2011 £
Foreign currency losses	5,141	-
Depreciation of owned assets	2,739	-
Auditor's remuneration	11,938	7,250
	<u>19,818</u>	<u>7,250</u>

4 PARTICULARS OF EMPLOYEES

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	2012 No.	2011 No.
Administration and support	1	-
Marketing	3	1
	<u>4</u>	<u>1</u>

AF DECOM OFFSHORE UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

4 PARTICULARS OF EMPLOYEES (CONTINUED)

The aggregate payroll costs were as follows

	2012 £	2011 £
Wages and salaries	158,441	63,642
Social security costs	19,313	8,136
Staff pensions	9,913	1,400
	<u>187,667</u>	<u>73,178</u>

5 DIRECTORS' REMUNERATION

No remuneration was paid to the directors during the year (2011 nil)

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2012 £	2011 £
Other interest receivable	<u>2,918</u>	<u>172</u>

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Other interest payable	<u>32</u>	<u>-</u>

AF DECOM OFFSHORE UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

8 TAXATION

Tax on (loss)/profit on ordinary activities

	2012	2011
	£	£
Current tax		
Corporation tax charge	<u>-</u>	<u>8,327</u>

Factors affecting current tax charge for the year

Tax on (loss)/profit on ordinary activities for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)

The differences are reconciled below

	2012	2011
	£	£
(Loss)/profit on ordinary activities before taxation	<u>(22,484)</u>	<u>29,722</u>
Corporation tax at standard rate	<u>(5,509)</u>	<u>7,876</u>
Capital allowances in excess of depreciation	(2,141)	-
Expenses not deductible for tax purposes	380	451
Tax losses carried forward	<u>7,270</u>	<u>-</u>
Total current tax	<u>-</u>	<u>8,327</u>
There are no deferred tax assets or liabilities		

AF DECOM OFFSHORE UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

9 TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
Additions	11,479
At 31 December 2012	<u>11,479</u>
Depreciation	
Charge for the year	2,739
At 31 December 2012	<u>2,739</u>
Net book value	
At 31 December 2012	<u><u>8,740</u></u>

10 DEBTORS

	2012 £	2011 £
Trade debtors	298,392	37,355
Other debtors	183,852	42,057
Prepayments	841	2,246
	<u>483,085</u>	<u>81,658</u>

11 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	214,506	9,663
Corporation tax	-	8,327
Amount due to fellow subsidiary undertaking	355,079	351,636
Other taxes and social security	4,904	3,291
Other creditors	1,238	1,680
Accruals	20,500	48,750
	<u>596,227</u>	<u>423,347</u>

AF DECOM OFFSHORE UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

12 SHARE CAPITAL

Allotted, called up and fully paid shares

	2012		2011	
	No.	£	No.	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

13 RESERVES

	Profit and loss account £
At 1 January 2012	35,146
Loss for the year	(22,484)
At 31 December 2012	<u>12,662</u>

14 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2012 £	2011 £
(Loss)/profit attributable to the member of the company	(22,484)	21,395
Shareholder's funds at 1 January	<u>45,146</u>	<u>23,751</u>
Shareholder's funds at 31 December	<u>22,662</u>	<u>45,146</u>

15 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 £9,913 (2011 - £1,400).

Contributions totalling £1,114 (2011 - £1,680) were payable to the scheme at the end of the year and are included in creditors.

AF DECOM OFFSHORE UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

16 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

17 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