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VROON OFFSHORE (HOLDINGS) LIMITED
(Company Number: SC228521)

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 2008

SATURDAY



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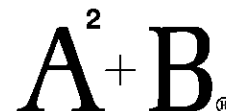
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COMPANIES HOUSE

Anderson Anderson & Brown LLP
Chartered Accountants

**VROON OFFSHORE (HOLDINGS) LIMITED
DIRECTORS' REPORT**



Directors: H F Marks
R H Ricken
J P N Baars (appointed 1 January 2009)
V Slattery (appointed 1 March 2009)

Secretary: V Slattery

Registered office: 4th Floor, Regent Centre, Regent Road, Aberdeen

The directors submit their report and the audited accounts of the company for the year ended 31 December 2008.

RESULTS AND DIVIDENDS

The profit for the year, amounting to £7,859,000 (2007 - £698,000) has been dealt with as shown in the profit and loss account. Dividends of £3,341,000 were paid during the year (2007 - £nil).

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company is a holding company.

REFINANCING

The bank borrowings were repaid in full in March 2008. These have been replaced with new bank loans and finance lease arrangements directly with subsidiary companies within the Group.

DIRECTORS

The directors of the company during the year ended 31 December 2008 were as noted above, together with G Wood who resigned on 12 December 2008, G Maxwell who resigned on 30 June 2008, G Phillip who resigned on 11 January 2008 and R Deans who was appointed on 28 April 2008 and resigned on 1 June 2009.

EVENTS AFTER THE BALANCE SHEET DATE

As part of a group re-organisation exercise on 30 September 2009, the company acquired the entire share capital of Offshore Support Vessels V Limited and Offshore Support Vessels IX Limited (formerly known as Links Crewing Services Limited). The considerations payable are £1,453,000 and £9,823 respectively.

PROVISION OF INFORMATION TO AUDITORS

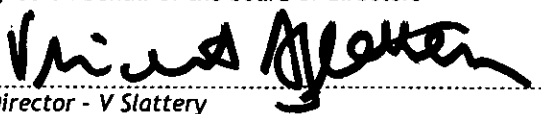
As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Anderson Anderson & Brown LLP have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the annual general meeting.

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors


Director - V Slattery

8 October 2009 Date

VROON OFFSHORE (HOLDINGS) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES



Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether or not applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and,
- (d) prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. 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 AUDITORS' REPORT TO THE SHAREHOLDERS OF
VROON OFFSHORE (HOLDINGS) LIMITED**

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We have audited the accounts of Vroon Offshore (Holdings) Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These accounts have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether or not the accounts give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and the information given in the directors' report is consistent with the accounts. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion:-

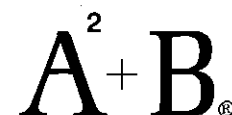
- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the directors' report is consistent with the accounts.

Anderson Anderson & Brown LLP

Anderson Anderson & Brown LLP
Chartered Accountants
Registered Auditors
Aberdeen

12 October 2009

VROON OFFSHORE (HOLDINGS) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008



	Note	2008 £'000	2007 £'000
Investment income		7,404	-
Interest receivable	2	562	2,274
Interest payable and similar charges	3	22	1,576
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,944	698
TAXATION	4	85	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		7,859	698

The company has no gains or losses other than as reported above.

Movement on reserves are as set out in note 15.

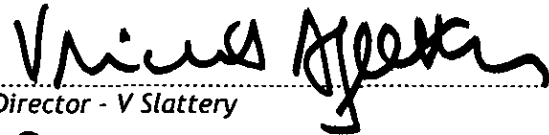
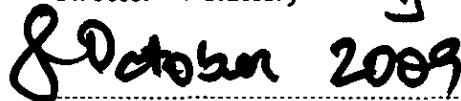
VROON OFFSHORE (HOLDINGS) LIMITED
BALANCE SHEET - 31 DECEMBER 2008

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	Note	2008 £'000	2007 £'000
FIXED ASSETS			
Intangible assets	6	-	-
Investments	7	10,369	10,369
		<u>10,369</u>	<u>10,369</u>
CURRENT ASSETS			
Debtors	8	11,015	44,138
Bank and cash in hand		270	-
		<u>11,285</u>	<u>44,138</u>
CREDITORS: <i>amounts falling due within one year</i>	9	-	7,000
NET CURRENT ASSETS		<u>11,285</u>	<u>37,138</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>21,654</u>	<u>47,507</u>
CREDITORS: <i>amounts falling due after more than one year</i>	10	-	30,371
		<u>21,654</u>	<u>17,136</u>
CAPITAL AND RESERVES			
Called up share capital	14	9,280	9,280
Share premium account	15	6,279	6,279
Profit and loss account	15	6,095	1,577
SHAREHOLDERS' FUNDS		<u>21,654</u>	<u>17,136</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors


Director - V Slattery
 8 October 2009 Date

1. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) *Group accounts*

The company is exempt from preparing consolidated financial statements, as it is a subsidiary of Vroon Offshore UK Limited a company incorporated in Scotland, which prepares group financial statements and therefore meets the requirements for exemption set out in Sub-Sections 228(i) and 228 (ii) of the Companies Act 1985.

(c) *Goodwill*

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 10 years. Provision is made for any impairment when identified.

Negative goodwill is similarly included on the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair value of the non-monetary assets acquired is credited to the profit and loss account over the expected period of benefit, which is 10 years.

(d) *Investments*

Investments are stated at cost less provision for any permanent diminution in value.

2. INTEREST RECEIVABLE

	2008 £'000	2007 £'000
Interest due from group entities	562	698
Interest recharged to group entities	-	1,576
	<u>562</u>	<u>2,274</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £'000	2007 £'000
Intercompany loan	22	-
Bank loan	-	1,576
	<u>22</u>	<u>1,576</u>

4. TAXATION charge based on the profit for the period comprises:

	2008 £'000	2007 £'000
Prior year adjustment	85	-

The corporation tax charge is materially different from what would be anticipated by applying the company's tax rate of 28% to its pre-tax profits as a result of investment income not taxable for corporation tax purposes.

5. DIVIDENDS

	2008 £'000	2007 £'000
£0.36 per ordinary share paid (2007 - £nil)	3,341	-

6. INTANGIBLE FIXED ASSETS - GOODWILL

	Positive goodwill £'000	Negative goodwill £'000	Total £'000
Cost			
At 1 January 2008 and 31 December 2008	525	(525)	-
Amortisation			
At 1 January 2008	(273)	273	-
Charge for the year	(52)	52	-
At 31 December 2008	(325)	325	-
Net book value			
At 31 December 2008	200	(200)	-
At 31 December 2007	252	(252)	-

Goodwill is amortised on a straight line basis over a period of 10 years

7. INVESTMENTS

COST

At 1 January 2008 and 31 December 2008

Interest in
group undertakings
£'000

10,369

The group undertakings at 31 December 2008 were:

Vroon Offshore Services Limited

Country of incorporation: Scotland
Holding: Ordinary shares
Nature of business: ERRV Services
Proportion of shares held: 100%
Aggregate capital and reserves: £13,227,000
Profit for year: £1,492,000

Offshore Support Vessels IV Limited

Country of incorporation: England
Holding: Ordinary shares
Nature of business: ERRV Services
Proportion of shares held: 100%
Aggregate capital and reserves: £3,875,000
Loss for year: £2,854,000

Offshore Support Vessels V Limited *

Country of incorporation: England
Holding: Ordinary shares
Nature of business: ERRV Services
Proportion of shares held: 100%
Aggregate capital and reserves: £(574,000)
Loss for year: £1,161,000

Offshore Support Vessels VI Limited

Country of incorporation: England
Holding: Ordinary shares
Nature of business: ERRV Services
Proportion of shares held: 100%
Aggregate capital and reserves: £1
Profit for year: £nil

Offshore Support Vessels VII Limited

Country of incorporation: England
Holding: Ordinary shares
Nature of business: ERRV Services
Proportion of shares held: 100%
Aggregate capital and reserves: £1
Profit for year: £nil

7. INVESTMENTS (continued)

Offshore Support Vessels VIII Limited

Country of incorporation: England
Holding: Ordinary shares
Nature of business: ERRV Services
Proportion of shares held: 100%
Aggregate capital and reserves: £(1,000)
Loss for year: £1,000

Deeside Crewing Services Limited

Country of incorporation: Scotland
Holding: Ordinary shares
Nature of business: Management Services
Proportion of shares held: 100%
Aggregate capital and reserves: £(4,000)
Profit for year: £30,000

Britannia Marine Limited **

Country of incorporation: England
Holding: Ordinary shares
Nature of business: Dormant
Proportion of shares held: 100%

Britannia Marine Limited was placed in a member's voluntary liquidation on 19 December 2008.

* held by Offshore Support Vessels IV Limited

** held by Vroon Offshore Services Limited

8. DEBTORS

	2008 £'000	2007 £'000
Amounts due from subsidiary undertakings	11,015	44,138

9. CREDITORS: *amounts falling due within one year*

	2008 £'000	2007 £'000
Bank loan (Note 11)	-	6,500
Other loan	-	500
	<u>-</u>	<u>7,000</u>

10. CREDITORS: *amounts falling due after more than one year*

	2008 £'000	2007 £'000
Bank loans (Note 11)	<u>-</u>	<u>30,371</u>

11. LOANS

Total borrowings are:

	2008 £'000	2007 £'000
Bank loans	<u>-</u>	<u>36,871</u>

The total borrowings above are repayable as follows:

	2008 £'000	2007 £'000
Within one year	-	6,500
Between one and two years	-	6,000
Between two and five years	-	19,576
More than five years	-	4,795
		<u>36,871</u>
Less: Unamortised finance costs	-	(620)
	<u>-</u>	<u>36,251</u>

The bank borrowings were repaid in full in March 2008.

12. OTHER LOANS

	2008 £'000	2007 £'000
Analysis of loan wholly repayable within one year	-	500

13. SECURITY

The company has entered into cross guarantees with other Group companies for bank borrowings in respect of the borrowings of Vroon Offshore (Holdings) Limited and its subsidiaries ("the Group"). At 31 December 2008 the total contingent liability in respect of these guarantees was £71,168,000 (2007 - £36,871,000) and is secured by a bond and floating charge over the assets of the Group and by mortgages over the offshore vessels owned by the Group.

14. CALLED UP SHARE CAPITAL

	2008 & 2007 £'000
Authorised: Ordinary shares of £1 each	14,006
Allotted, called up and fully paid: Ordinary shares of £1 each	9,280

15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 31 December 2006	9,280	6,279	879	16,438
Profit for the year	-	-	698	698
At 31 December 2007	9,280	6,279	1,577	17,136
Profit for the year	-	-	7,859	7,859
Dividends paid	-	-	(3,341)	(3,341)
At 31 December 2008	9,280	6,279	6,095	21,654

16. EVENTS AFTER THE BALANCE SHEET DATE

As part of a group re-organisation exercise on 30 September 2009, the company acquired the entire share capital of Offshore Support Vessels V Limited and Offshore Support Vessels IX Limited (formerly known as Links Crewing Services Limited). The considerations payable are £1,453,000 and £9,823 respectively.

17. RELATED PARTY TRANSACTIONS

The directors have taken advantage of the exemptions conferred by Financial Reporting Standard 8 "Related Party Transactions", paragraph 3(c) and not disclosed transactions with fellow members of Vroon Group BV.

18. IMMEDIATE AND ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is Vroon Offshore UK Limited, a company registered in Scotland.

Vroon Offshore (Holdings) Limited is 100% owned by Vroon Offshore UK Limited, a company registered in Scotland, which is 100% owned by Vroon Offshore BV, a company registered in Holland.

The consolidated financial statements of Vroon Offshore UK Limited are available to the public and may be obtained from Vroon Offshore UK Limited, 4th Floor, Regent Centre, Regent Road, Aberdeen, AB11 5NS.