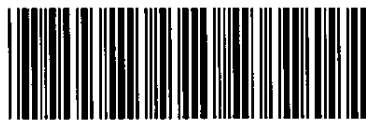


Vroon Offshore (Holdings) Limited

Report and Financial Statements

31 December 2011



S1CB3P74

SCT

02/07/2012

#123

COMPANIES HOUSE

Directors

J P N Baars
G P Sheach
E D E Maandag

Secretary

G P Sheach

Auditors

Ernst & Young LLP
Blenheim House
Fountainhall Road
Aberdeen
AB15 4DT

Bankers

Bank of Scotland PLC
Queens Cross
39 Albyn Place
Aberdeen
AB10 1YN

Solicitors

Paull & Williamsons LLP
Union Plaza
1 Union Wynd
Aberdeen
AB10 1DQ

Registered Office

4th Floor
Regent Centre
Regent Road
Aberdeen
AB11 5NS

Directors' report

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

Results and dividends

The profit for the year amounted to £4,985,000 (2010 – loss of £11,207,000). The directors do not recommend a final dividend (2010 – £nil). The company received a £9,500,000 dividend from one of its subsidiaries during the year (2010 – £nil).

Principal activities and review of the business

The company is the holding company of a group which firstly provides offshore support vessel services to the oil and gas industry, primarily emergency response and rescue vessels (ERRV); and secondly provides commercial, technical management and administration services to other related companies. For reasons of geography, the management and operation of some of the vessels owned by the group are contracted to other related companies.

In each year a review of the carrying value of investments is performed. This review comprises a comparison of the carrying value of each investment with the net assets of the corresponding subsidiary. This review highlighted the need to book an impairment in the year of £4,684,000 (2010 – £11,257,000).

Directors

The current directors are those listed on page 1.

S G Thom was appointed as director on 5 January 2011 and resigned 1 January 2012.

V A Slattery resigned as director on 15 April 2011.

G P Sheach was appointed as director on 15 April 2011.

H F M Marks and R H B Rikken resigned as director on 1 January 2012.

E D E Maandag was appointed as director on 1 January 2012.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Going concern

The company heads a group which has considerable financial resources together with long-term contracts with a number of customers and suppliers. As a consequence, the directors believe that the company is well placed to manage its 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 the going concern basis in preparing the annual report and accounts.

Auditors

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the General Meeting for the reappointment of Ernst and Young LLP as auditor of the company.

Directors' report (continued)

Events after the balance sheet date

On 26th April 2012, the company subscribed for a further 99,999 ordinary shares of £1 at par in one of its subsidiaries, Deeside Crewing Services Ltd.

On 1 May 2012, the company subscribed for a further 2,999,999 ordinary shares of £1 at par in one of its subsidiaries, Offshore Support Vessels IX Ltd.

Small companies exemption

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the board



G P Sheach
Director
28 June 2012
Aberdeen

Statement of directors' responsibilities

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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper 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 members of Vroon Offshore (Holdings) Limited

We have audited the financial statements of Vroon Offshore (Holdings) Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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 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 auditors

As explained more fully in the Statement of Directors' Responsibilities 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

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 of the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of 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 matters 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 members of Vroon Offshore (Holdings) 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.

Ernst + Young LLP

Moira Ann Lawrence (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
29 June 2012
Aberdeen

Profit and loss account

for the year ended 31 December 2011

	Notes	2011 £000	2010 £000
Administrative expenses		24	37
Operating loss	2	(24)	(37)
Impairment of investment	8	4,684	11,257
Loss on ordinary activities before investment income, interest and taxation		(4,708)	(11,294)
Investment income		9,500	–
Interest receivable	5	363	207
Interest payable and similar charges	6	(170)	(120)
Profit / (loss) on ordinary activities before taxation		4,985	(11,207)
Tax on ordinary activities	7	–	–
Profit / (loss) for the financial year after taxation	13	4,985	(11,207)

All operations relate to continuing activities.

There are no recognised gains and losses other than the profit attributable to shareholders of the company of £4,985,000 in the year ended 31 December 2011 (2010 – loss of £11,207,000).

Balance sheet

at 31 December 2011

	Notes	2011 £000	2010 £000
Fixed assets			
Investments	8	17,338	22,022
Current assets			
Debtors	9	14,983	6,347
Cash at bank and in hand		3	—
		14,986	6,347
Creditors: amounts falling due within one year	10	4,335	5,365
Net current assets		10,651	982
Total assets less current liabilities		27,989	23,004
Provisions for liabilities	11	104	104
Net assets		27,885	22,900
Capital and reserves			
Called up share capital	12	16,530	16,530
Share premium account	13	32,029	32,029
Profit and loss account	13	(20,674)	(25,659)
Equity shareholders' funds		27,885	22,900



G P Sheach
Director
28 June 2012
Aberdeen

Notes to the financial statements

at 31 December 2011

1. Accounting policies

Basis of preparation

The financial statements of the company were approved for issue by the board of directors on 28 June 2012 in Aberdeen.

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

Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company is exempt from the requirement to prepare consolidated financial statements in accordance with section 400(1)(a) of the Companies Act 2006, being a wholly owned subsidiary of a company incorporated in an EEA state (see note 16).

The financial statements of the company are included in the consolidated group financial statements prepared by its ultimate UK parent, Vroon Offshore UK Limited.

Investments

Investments in subsidiaries are accounted for at the lower of cost and net realisable value, and are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Statement of cash flows

The company has taken advantage of the exemption available under Financial Reporting Standard 1 "Cash Flow Statements" paragraph 5(a), for a subsidiary where 90% or more of voting rights are controlled within the group and not prepared a statement of cash flows.

Current taxation

Current taxation, including UK corporation tax and foreign tax, is provided for at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

The company accounts for foreign currency transactions in accordance with Statement of Standard Accounting Practice 20 "Foreign Currency Translation."

Transactions in foreign currencies are recorded at the exchange rate ruling on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account and are treated as administrative expenses.

2. Operating Profit / Loss

This is stated after charging / (crediting):	2011 £000	2010 £000
Auditors' remuneration (note 3)	8	15
Foreign exchange loss	25	14

Notes to the financial statements

at 31 December 2011

3. Auditors' remuneration

	2011 £000	2010 £000
Fees payable to the company's auditors for the audit of the company's financial statements	<u>8</u>	<u>15</u>

Auditors' remuneration has been borne by another group company in the current and preceding year.

4. Staff costs

The directors are employed by and receive remuneration from other group companies. The directors received total remuneration for the year of £508,000 (2010: £468,000), all of which was paid by a fellow group company. In the opinion of the directors, it is not possible to apportion directors' remuneration to subsidiaries on the basis of level of service and accordingly no allocation has been made.

The company has no employees.

5. Interest receivable

	2011 £000	2010 £000
Interest receivable from group undertakings	<u>363</u>	<u>207</u>

6. Interest payable and similar charges

	2011 £000	2010 £000
Interest paid to group undertakings	<u>170</u>	<u>120</u>

Notes to the financial statements

at 31 December 2011

7. Tax on ordinary activities

The tax charge is made up as follows:

	2011 £000	2010 £000
Current tax:		
UK corporation tax at 26.5%	<u>—</u>	<u>—</u>

The tax assessed on the profit / (loss) on ordinary activities is lower (2010: lower) than the standard rate of corporation tax in the UK of 26.5% (2010: 28%) of profit. The differences are reconciled below:

	2011 £000	2010 £000
Profit / (Loss) on ordinary activities before tax	<u>4,985</u>	<u>(11,207)</u>
Profit / (Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (*) (2010 – 28%)	1,321	(3,138)
Income not chargeable for tax purposes	(1,337)	—
Expenses not deductible for tax purposes	16	3,134
Group relief	<u>—</u>	<u>4</u>
	<u>—</u>	<u>—</u>

(*) In addition to the changes in rates of corporation tax disclosed, a number of further changes to the UK corporate tax system were announced in the march 2012 UK budget statement. A resolution passed by parliament on 26 March 2012 has reduced the main rate of corporation tax to 24% from 1 April 2012. Legislation to reduce the main rate of corporate tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Bill 2012. Further reductions to the main rate are proposed to reduce the rate by 1% to 22% from 1 April 2014. None of these expected rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

Notes to the financial statements

at 31 December 2011

8. Investments

	<i>Subsidiary undertakings £000</i>
<i>Cost:</i>	
At 1 January 2011	52,840
<i>Impairments:</i>	
At 1 January 2011	30,818
Impairment of investment in subsidiaries (*)	4,684
At 31 December 2011	35,502
<i>Net book value:</i>	
At 31 December 2011	17,338
At 1 January 2011	22,022

(*) As a result of difficult market conditions during 2011 and 2010 and disappointing trading results, reported by some subsidiaries there was a requirement to book an impairment on some of the investments held by the company.

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

<i>Name</i>	<i>Interest %</i>	<i>Holding</i>	<i>Nature of business</i>
Vroon Offshore Services Limited	100%	Ordinary shares	ERRV, ship management
Offshore Support Vessels IV Limited (*)	100%	Ordinary shares	ERRV
Offshore Support Vessels V Limited (*)	100%	Ordinary shares	ERRV
Offshore Support Vessels VI Limited	100%	Ordinary shares	ERRV
Offshore Support Vessels VII Limited	100%	Ordinary shares	ERRV
Offshore Support Vessels VIII Limited	100%	Ordinary shares	ERRV
Offshore Support Vessels IX Limited	100%	Ordinary shares	ERRV
Nomis Shipping Limited	100%	Ordinary shares	ERRV & PSV
Nomis Offshore Limited (***)	100%	Ordinary shares	ERRV & AHTS
Deeside Crewing Services Limited	100%	Ordinary shares	Crewing management
Deeside (Guernsey) Limited (**)	100%	Ordinary shares	Crewing Employer

ERRV = Emergency response and rescue vessel

PSV = Platform supply vessel

AHTS = Anchor handling tug supply vessel

* Incorporated in England and Wales.

** Incorporated in Guernsey

Notes to the financial statements

at 31 December 2011

8. Investments (continued)

All other subsidiaries are incorporated in Scotland

*** Nomis Offshore Limited is a 100% subsidiary of Nomis Shipping Limited, and is therefore indirectly controlled by the company.

9. Debtors

	2011 £000	2010 £000
Amounts due from subsidiary undertakings	<u>14,983</u>	<u>6,347</u>

Short-term loans to other group undertakings have no fixed repayment schedule. Interest is payable quarterly at a rate of 3% above LIBOR. Other amounts due from group undertakings in the normal course of the company's business attract no interest.

10. Creditors: amounts falling due within one year

	2011 £000	2010 £000
Amounts due to subsidiary undertakings	3,762	2,541
Amounts due to group undertakings	560	2,801
Accruals and deferred income	12	23
Trade creditors	<u>1</u>	<u>-</u>
	<u>4,335</u>	<u>5,365</u>

Short-term loans from other group undertakings have no fixed repayment schedule. Interest is payable quarterly on these loans at a rate of 3% above LIBOR. Other amounts due to group undertakings in the normal course of the company's business attract no interest.

11. Provisions for liabilities

	2011 £000	2010 £000
Deficit on defined benefit pension scheme	<u>104</u>	<u>104</u>

The group headed by the company has an obligation to make contributions in respect of a deficit in the Merchant Navy Officers Pension Fund (MNOFF) scheme which dates back to the time prior to its acquisition by Vroon Offshore UK Limited. This is in respect of sea crew which the group used to employ directly. A settlement agreement with the previous owners of the group was reached in 2009 and an amount of £500,000 was received. There have been no payments in 2011 however there were payments made both in 2010 and 2009. As there may be further MNOFF liabilities of uncertain amounts the company has kept the balance of the cash received as a provision against future payments in this regard.

Notes to the financial statements

at 31 December 2011

12. Issued share capital

	2011		2010	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£000</i>	<i>No.</i>	<i>£000</i>
Ordinary shares of £1 each	16,529,800	<u>16,530</u>	16,529,800	<u>16,530</u>

13. Reconciliation of shareholders' funds and movements on reserves

	<i>Share Capital</i>	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 31 December 2009	16,530	32,029	(14,452)	34,107
Loss for the year			(11,207)	(11,207)
At 31 December 2010	16,530	32,029	(25,659)	22,900
Profit for the year			4,985	4,985
At 31 December 2011	<u>16,530</u>	<u>32,029</u>	<u>(20,674)</u>	<u>27,885</u>

14. Events after the balance sheet date

On 26th April 2012, the company subscribed for a further 99,999 ordinary shares of £1 at par in one of its subsidiaries, Deeside Crewing Services Ltd.

On 1 May 2012, the company subscribed for a further 2,999,999 ordinary shares of £1 at par in one of its subsidiaries, Offshore Support Vessels IX Ltd.

15. Related party transactions

The company has taken advantage of the exemption available for 100% owned subsidiaries under Financial Reporting Standard 8 "Related Party Transactions" paragraph 3(c) and not disclosed transactions with fellow wholly owned group companies.

16. Contingent liabilities

The company has entered into cross guarantees with other group companies in respect of bank borrowings. At 31 December 2011 the total contingent liability in respect of these guarantees was £84,233,000 (2010 - £92,527,000), secured by a bond and floating charge over the assets of the group.

During 2005, the group had an obligation to meet contributions in respect of a deficit in the Merchant Navy Officers Pension Fund Scheme ("MNOF"). The amount payable at that time of £167,000 was recovered from the previous owners of the business. A settlement agreement with the previous owners was finalised during 2009 and an amount of £500,000 was received. In both 2010 and 2009 the group have made further contributions to the MNOF trustees from this settlement leaving £104,000 unused from the original £500,000 settlement (see note 11).

Notes to the financial statements

at 31 December 2011

17. Ultimate parent undertaking and controlling party

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

The ultimate holding company is Vroon Offshore B.V., a company registered in the Netherlands.

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