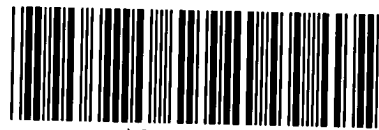


Company Registration No. SC228521 (Scotland)

VOH SUPPORT VESSELS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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COMPANIES HOUSE

VOH SUPPORT VESSELS LIMITED

COMPANY INFORMATION

Directors	C Harvie G P Sheach J P N Baars
Secretary	G P Sheach
Company number	SC228521
Registered office	4th Floor Regent Centre Regent Road Aberdeen AB11 5NS
Independent Auditors	PricewaterhouseCoopers LLP The Capitol, 431 Union Street Aberdeen Aberdeenshire AB11 6DA
Bankers	DNB Bank ASA The Walbrook Building 25 Walbrook, 8th Floor London EC4N 8AF
Solicitors	Burness Paul LLP 1 Union Wynd Aberdeen AB10 1SL

VOH SUPPORT VESSELS LIMITED

CONTENTS

	Page
Directors' responsibilities statement	1
Statement of financial position	2
Statement of changes in equity	3
Notes to the financial statements	4 - 13

VOH SUPPORT VESSELS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

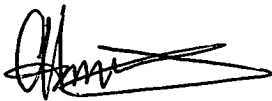
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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 then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

On behalf of the board



C Harvie
Director
Aberdeen
25 July 2018

VOH SUPPORT VESSELS LIMITED

STATEMENT OF FINANCIAL POSITION

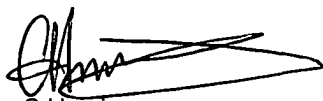
AS AT 31 DECEMBER 2017

	Notes	2017 £000	2016 £000
Fixed assets			
Tangible assets	5	36,075	37,927
Current assets			
Stocks		254	167
Debtors	7	859	792
Cash at bank and in hand		440	426
		1,553	1,385
Creditors: amounts falling due within one year	8	(30,694)	(30,222)
Net current liabilities		(29,141)	(28,837)
Total assets less current liabilities		6,934	9,090
Capital and reserves			
Called up share capital		10,667	10,667
Profit and loss reserves		(3,733)	(1,577)
Total equity		6,934	9,090

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 25 July 2018 and are signed on its behalf by:



C Harvie

Director

Aberdeen

Company Registration No. SC228521

VOH SUPPORT VESSELS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £000	Profit and loss reserves £000	Total equity £000
Balance at 1 January 2016	8,667	(275)	8,392
Loss and total comprehensive expense for the year	-	(1,302)	(1,302)
Issue of share capital	2,000	-	2,000
Balance at 31 December 2016	10,667	(1,577)	9,090
Loss and total comprehensive expense for the year	-	(2,156)	(2,156)
Balance at 31 December 2017	10,667	(3,733)	6,934

VOH SUPPORT VESSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

VOH Support Vessels Limited is a private company limited by shares incorporated in Scotland. The registered office is 4th Floor, Regent Centre, Regent Road, Aberdeen, AB11 5NS.

The company provides offshore support vessel services to the oil and gas industry, primarily emergency response and rescue vessels (ERRV).

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102, (together with SI 2015/980) have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared on a going concern basis, under the historical cost convention. The principal accounting policies adopted are set out below.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity;
- (ii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

VOH SUPPORT VESSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.2 Going concern

The Company is part of a group with Vroon Group B.V (hereafter: VGBV) at its head. VGBV issues guarantees to the Company's Lenders. These guarantees are subject to financial covenant restrictions.

In the late summer of 2016 VGBV advised its stakeholders that it was encountering difficulties generating sufficient cash flow to meet its future repayment obligations. VGBV does not comply with its loan covenants as from year-end 2016. Following the unilateral loan-repayment halt ('standstill') announcement in December 2016, the Company ceased its contractual repayments on its loans, although did continue paying interest (including interest rate derivative payments) to its Lenders. All other creditors have been paid in a timely manner, in the normal course of business and creditors payments will be made when due.

The 'standstill', although announced unilaterally, and therefore being a breach in covenants and loan agreements, has been respected by all Lenders and is still in place at the time of writing this Report.

In January 2017 VGBV presented all Lenders and their advisors a restructuring plan, including a Business Plan and Term Sheet outlining a financial restructuring proposal. Both the Business Plan and Term Sheet were further refined during the year, in close consultation with Lenders and advisors.

In March 2018 VGBV agreed a Term Sheet with its Lenders, outlining in extensive detail the conditions for amendment of the Company's financing and repayment arrangements up to 31 March 2021. This Term Sheet will form the basis for finalising a financial restructuring agreement between VGBV and its Lenders. A draft financial restructuring agreement has been shared with Lenders. It is expected that during the third quarter of 2018 this agreement will be finalised. After finalising this financial restructuring agreement, for which the Company needs to fulfil the conditions precedent as included in the Term Sheet, the Company needs to successfully execute the business plan, including certain non-core and strategic disposals and needs to comply with the debt covenants included in the financial restructuring agreement.

Uncertainty remains with respect to complying with all these requirements indicating the existence of a material uncertainty, based on which there could be significant doubt about the continuity of the Company and its ability to realise assets and discharge liabilities in the normal course of business.

Based on the current business performance of and the outlook for VGBV and the Company, the current market developments and the constructive dialogue with the Lenders, the Managing board of VGBV and the management of the Company, are confident that this new finance structure and successful execution of the business plan will provide a sound base and adequate period of time to significantly reduce debt and restore financial health. Furthermore VGBV, and the management of the Company, are confident that the conditions precedent as mentioned in the Term Sheet will be fulfilled and hence allow the restructuring agreement to come into force. As a result, the Financial Statements of the Company are prepared on a going concern basis.

VOH SUPPORT VESSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.3 Revenue

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes or duty.

Rendering of Services:

The company recognises revenue when

- [a] the amount of revenue can be measured reliably;
- [b] it is probable that the economic benefits associated with the transactions will flow to the company;
- [c] the stage of completion of the transaction at the end of reporting period can be measured reliably;
- [d] the cost incurred for the transaction and the costs to complete the transaction can be measured reliably.

1.4 Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation. Such costs include costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Vessels	up to 25 years (or end of remaining working life)
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Major components

Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life. The carrying amount of any replaced component is derecognised.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

Borrowing Cost (capitalised interest)

The company capitalised finance cost directly attributable to the construction of its new build vessels.

VOH SUPPORT VESSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks comprise the quantities of marine diesel oil (MDO) and lubricants on-board vessels owned by the company. On-board quantities of other stores are not considered material and any such costs are expensed as incurred.

Stocks are valued at the lower of cost of acquisition and net realisable value. Cost of acquisition is calculated based on the 'first-in, first-out' principle.

In shipping, it is common practice in fuel exclusive time charter contracts for the MDO stocks at the beginning of a charter to be invoiced to the customer, with the customer picking up all the costs of refuelling during the charter, and for the MDO remaining on-board at the end of the charter to be recharged back to the ship manager. When the company charters vessels on this basis it does not recognise MDO stocks for the duration of the time charter.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash is represented by cash in hand and in the bank.

VOH SUPPORT VESSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

VOH SUPPORT VESSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received. Ordinary shares are classified as equity.

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders.

Interim equity dividends are recognised when paid. These amounts are recognised in the statement of changes in equity.

1.10 Derivatives

The company purchases interest rate swaps to manage interest rate volatility.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

VOH SUPPORT VESSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.11 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. The company's profits from vessel operations are taxed under the UK Tonnage tax regime.

1.12 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

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

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Auditors' remuneration

	2017 £000	2016 £000
Fees payable to the company's auditors and their associates:		
For audit services		
Audit of the company's financial statements	5	5
	==	==
For other services		
Taxation compliance services	2	2
	==	==

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

4 Employees

The directors are employed by and receive remuneration from other group companies. 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.

Retirement benefits are accruing to two directors under a defined contribution scheme (2016 - two).

The company has no employees (2016 Nil). All vessel operating costs, including crew costs recharged by other group companies and third parties, are charged against operating profit.

VOH SUPPORT VESSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

5 Tangible assets

	Vessels £000
Cost	
At 1 January 2017 and 31 December 2017	40,924
Accumulated Depreciation	
At 1 January 2017	2,997
Depreciation charged in the year	1,852
At 31 December 2017	4,849
Carrying amount	
At 31 December 2017	36,075
At 31 December 2016	37,927

The cost of fixed assets above includes capitalised finance costs of £183,000 (2016 - £183,000).

6 Financial instruments

	2017 £000	2016 £000
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Derivatives	488	806

The company entered into an interest rate swap to receive interest at LIBOR and pay interest at a fixed rate%. The swap is based on a principal amount of the company's sterling loan facilities, and matures on the same date as the senior loans.

As at the end of the year, the fair value of the interest rate derivative is £488,000 (2016 - £806,000). Cash flows on both the loan and the interest rate derivatives are paid quarterly.

During 2017, a fair value gain of £318,000 was recognised in the Statement of Comprehensive Income (2016 £ loss of £551,000) for the interest rate derivatives.

7 Debtors

	2017 £000	2016 £000
Amounts falling due within one year:		
Trade debtors	520	242
Amounts owed by group undertakings	339	352
Other debtors	-	198
	859	792

VOH SUPPORT VESSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	108	68
Bank loans	25,268	25,268
Amounts due to group undertakings	4,787	4,028
Corporation tax	1	1
Other creditors	530	857
	<u>30,694</u>	<u>30,222</u>

The Company is part of a group with Vroon Group B.V (hereafter: VGBV) at its head. VGBV issues guarantees to the Company's Lenders. These guarantees are subject to financial covenant restrictions. VGBV breached the liquidity covenant as from 30 September 2016 and subsequently breached a number of other financial covenants during 2017. At year-end VGBV does not comply with its loan covenants. Consequently, all mortgage loans are formally in default at year-end 2017. Therefore, the mortgage loans to the Company are reported as short-term debt in the statement of financial position. At the end of March 2018 VGBV agreed a Term Sheet with its Lenders, outlining in extensive detail the conditions for amendment of the Company's financing and repayment arrangements up to 31 March 2021.

If the restructuring agreement had been agreed prior to the date of the statement of financial position (31 December 2017), the Company's statement of financial position would have been different. In that case, long-term liabilities would have amounted to £21,459,000 at year-end 2017 (versus £Nil). In addition, current liabilities would have amounted to £9,235,000 (as compared to £30,694,000).

As at end of December 2017, the company's bank financing facility, secured by a charge over specific vessels and a share pledge, included borrowings as below:

Total principal borrowings of £30.9m (2016 £30.9m) with interest accrued on a monthly and paid on a quarterly basis @ the GBP LIBOR plus rates between 2.1% and 2.2%.

Short-term loans from other group undertakings have no fixed repayment schedule. Interest is payable quarterly on these loans at a rate of 1 % above LIBOR.

Other amounts due from group undertakings in the normal course of the company's business attract no interest.

VOH SUPPORT VESSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements concerning the Company's ability to continue as a going concern. This ability is dependent on whether the Group can complete its refinancing and restructuring to meet its debt and covenants obligations. These conditions, along with the other matters explained in note 1.2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

The auditors' report was unqualified.

The senior statutory auditor was Kevin Reynard.

The independent auditors were PricewaterhouseCoopers LLP.

10 Related party transactions

The company has taken advantage of exemptions available under FRS 102 paragraph 33.1A read with para 66 (4) of The Companies, Partnership and Group (Accounts and report) Regulations 2015 - as amended SI 2015 No.980, from disclosing the related party transactions entered between two or more members of a company within the same group (wholly owned subsidiaries within the same group).

11 Events after the reporting date

There have been no significant events affecting the Company since the year end.

12 Parent company

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

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

The consolidated financial statements of Vroon Group 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.