

Registration number 06715021 (England and Wales)

**AF DECOM OFFSHORE UK LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**



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

**Directors** Robert Haugen  
  
Bengt Hildisch  
  
Mr Amund Toftum (appointed 2 December 2010)  
  
Lars Myhre Hjelmeset (appointed 2 December 2010)

**Company secretary** Goodwille Limited

**Registered office** St James House  
13 Kensington Square  
Kensington  
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 2010**

The directors present their report and the audited financial statements for the year ended 31 December 2010

**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

Mr Amund Toftum (appointed 2 December 2010)

Lars Myhre Hjelmeset (appointed 2 December 2010)

During the year, none of the directors were paid any remuneration by the company (2009 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

Approved by the Board on 30 August 2011 and signed on its behalf by



Robert Haugen  
Director

**AF DECOM OFFSHORE UK LIMITED**  
**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 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 2010, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 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 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 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 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 (APB'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.

### **Opinion on the 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 2010 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



David Conway-Hughes (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP  
Statutory Auditors

Apex Plaza  
Forbury Road  
Reading  
RG1 1YE

Date *28 September 2011*

**AF DECOM OFFSHORE UK LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	Year ended 31 Dec 10 £	3 Oct 08 to 31 Dec 09 £
Turnover		116,017	94,686
Administrative expenses		<u>(105,462)</u>	<u>(86,076)</u>
Operating profit	2	10,555	8,610
Interest payable and similar charges	4	<u>(8)</u>	<u>-</u>
Profit on ordinary activities before taxation		10,547	8,610
Tax on profit or loss on ordinary activities	5	<u>(2,995)</u>	<u>(2,411)</u>
Profit for the financial year		<u>7,552</u>	<u>6,199</u>

**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 2010**

	Note	31 Dec 10 £	31 Dec 09 £
<b>Current assets</b>			
Debtors	6	124,241	220,220
Cash at bank and in hand		<u>4,520,392</u>	<u>4,577,291</u>
		4,644,633	4,797,511
Creditors Amounts falling due within one year	7	<u>(4,620,882)</u>	<u>(4,781,312)</u>
Net assets		<u>23,751</u>	<u>16,199</u>
<b>Capital and reserves</b>			
Called up share capital	8	10,000	10,000
Profit and loss account	9	<u>13,751</u>	<u>6,199</u>
Shareholder's funds		<u>23,751</u>	<u>16,199</u>

Approved and authorised for issue by the Board on 30 August 2011 and signed on its behalf by

  
 Robert Haugen  
 Director

**AF DECOM OFFSHORE UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

**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 £10.9m (2009 £14.8m) and costs of £4.4m (2009 £10.1m) 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 substantively enacted at the balance sheet date.

**AF DECOM OFFSHORE UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**  
**(CONTINUED)**

**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.

**2 OPERATING PROFIT / LOSS**

Operating profit is stated after charging

	<b>Year ended 31 Dec 10 £</b>	<b>3 Oct 08 to 31 Dec 09 £</b>
Foreign currency (gains)/losses	15	2
Auditor's remuneration	<u>12,500</u>	<u>10,000</u>

**3 DIRECTORS' REMUNERATION**

No remuneration was paid to the directors during the year (2009 nil)

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>Year ended 31 Dec 10 £</b>	<b>3 Oct 08 to 31 Dec 09 £</b>
Other interest payable	<u>8</u>	<u>-</u>

**AF DECOM OFFSHORE UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**  
**(CONTINUED)**

**5 TAXATION**

**Tax on profit on ordinary activities**

	Year ended 31 Dec 10 £	3 Oct 08 to 31 Dec 09 £
<b>Current tax</b>		
Corporation tax charge	<u>2,995</u>	<u>2,411</u>

**Factors affecting current tax charge for the year**

Tax on profit on ordinary activities for the year is higher than (2009 - higher than) the standard rate of corporation tax in the UK of 28% (2009 - 28%)

The differences are reconciled below

	Year ended 31 Dec 10 £	3 Oct 08 to 31 December 2009 £
Profit on ordinary activities before taxation	<u>10,547</u>	<u>8,610</u>
Corporation tax at standard rate	2,953	2,411
Expenses not deductible for tax purposes	<u>42</u>	<u>-</u>
Total current tax	<u>2,995</u>	<u>2,411</u>
There are no deferred tax assets or liabilities		

**6 DEBTORS**

	31 Dec 10 £	31 Dec 09 £
Trade debtors	110,521	-
Amount owed by immediate parent undertaking	10,000	-
Other debtors	3,494	220,060
Prepayments	<u>226</u>	<u>160</u>
	<u>124,241</u>	<u>220,220</u>

**AF DECOM OFFSHORE UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**  
**(CONTINUED)**

**7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 Dec 2010</b>	<b>31 Dec 09</b>
	<b>£</b>	<b>£</b>
Trade creditors	117,318	56,366
Corporation tax	2,996	2,411
Amount due to fellow subsidiary undertaking	4,465,229	4,707,535
Accruals	<u>35,339</u>	<u>15,000</u>
	<u><u>4,620,882</u></u>	<u><u>4,781,312</u></u>

**8 SHARE CAPITAL**

**Allotted, called up and fully paid shares**

	<b>31 Dec 10</b>		<b>31 Dec 09</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 00 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

**9 RESERVES**

	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2010	6,199	6,199
Profit for the year	<u>7,552</u>	<u>7,552</u>
At 31 December 2010	<u><u>13,751</u></u>	<u><u>13,751</u></u>

**10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>Year ended 31 Dec 10 £</b>	<b>3 Oct 08 to 31 Dec 09 £</b>
Profit attributable to the member of the company	7,552	6,199
New share capital allotted	<u>-</u>	<u>10,000</u>
Net addition to shareholder's funds	7,552	16,199
Shareholder's funds at start of period	<u>16,199</u>	<u>-</u>
Shareholder's funds at end of period	<u><u>23,751</u></u>	<u><u>16,199</u></u>

**AF DECOM OFFSHORE UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**  
**(CONTINUED)**

**11 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

**12 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

**13 CONTROLLING PARTY**

The company is controlled by AF Gruppen Norge A/S (formally AF Skandinavia A/S), an undertaking registered in Norway until 19 April 2010. Since 19 April 2010, the immediate parent undertaking has been 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](http://www.afgruppen.no)