

**DUBAI MARINE AREAS LIMITED**

**Annual report and financial statements**

**For the year ended 31 December 2017**



Registered number: 00535541

Registered office : 1 Fleet Place London, EC4M 7WS, England, United Kingdom

Registered number : 00535541

The Directors present their annual report and financial statements for the year ended 31 December 2017.

## **RESULTS**

The turnover during the year relates to the recharge of administrative expenses to the shareholders. As the company breaks even, there are no transfers to or from reserves.

The company does not monitor its financial performance by reference to key performance indicators given the nature of the company's activity.

## **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

In previous years, the principal activities of the company were the exploration for, and the development and production of, oil fields in the Dubai offshore concession. On 2 April 2007, the partners of DUMA handed over the concession to Government of Dubai in accordance with the settlement agreement dated 31 July 2006. Since 2 April 2007, the principal activity of the business has ended.

The directors expect that the Company will remain inactive for the foreseeable future.

## **GOING CONCERN**

The directors believe it is appropriate for the financial statements to be prepared on a going concern basis, given the positive cash reserves of the company and its net asset position.

## **DIVIDENDS**

The directors do not propose the payment of a dividend for the year (2017: \$nil).

## **DIRECTORS AND THEIR INTERESTS**

The directors of the company who served during the year, and up to the date of this report, are listed below:

Messrs. His Excellency Saeed Mohammed Al Tajir

E. Correa Nacul until 17 September 2018

A.K Martin until 17 September 2018

P.C.A Roy until 17 September 2018

M. de Mauro until 17 September 2018

Hatem Nuseibeh

Jacques Etienne Rutman from 17 September 2018

Ziad Michel Hajjar from 17 September 2018

Simone Sciamanna from 17 September 2018

Andrew Christie from 17 September 2018

## **RISKS**

The Government of Dubai and Dubai Petroleum Company (DPC) announced a joint agreement on 6 August 2006 that changed the operating arrangements for Dubai offshore oilfields. Effective April 2007, DPC ended its role as operator. Dubai Petroleum Establishment is now responsible for operating the oilfields. Pursuant to the change in the operating arrangements, the principal activities of the Company ended as of 2 April 2007. It is necessary therefore to consider the Company level risks in connection with the change in the operating arrangements and the cessation of the Company's principal activities as of 2 April 2007. Environmental and technical risks could arise for those activities which were conducted prior to the cessation of the Company's principal activities. A comprehensive assessment of the technical condition of the offshore facilities was carried out by the Operator DPC prior to the handover to Dubai Petroleum Establishment.

## **SMALL COMPANY EXEMPTION**

The directors have taken advantage of the small companies' exemption provided by section 414B of the Companies Act 2006 not to provide a Strategic report.

## **AUDITOR**

Ernst & Young LLP will be reappointed as the company's auditor in accordance with the elective resolution passed by the company under section 485 of the Companies Act 2006.

**Directors' statement as to the disclosure of information to the auditor**

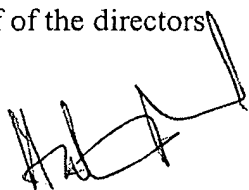
The directors who were members of the board at the time of approving the directors' report are listed on page 3. Having made inquiries of fellow directors and of the company's auditor, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditor is unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

For and on behalf of the directors

Hatem Nuseibeh  
Director  
26 November 2018



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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 International Financial Reporting Standards ('IFRS') as adopted by the European Union. 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 the profit or loss for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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.

The directors confirm that they have complied with these requirements and, having a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUBAI MARINE AREAS LIMITED

## Opinion

We have audited the financial statements of Dubai Marine Areas for the year ended 31 December 2017 which comprise the Statement of profit and loss account, the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUBAI MARINE AREAS LIMITED

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, 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 not preparing the strategic report and take advantage of the small companies' exemption in preparing the directors' report.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUBAI MARINE AREAS LIMITED

## **Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Use of our report**

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.

*Ernst & Young LLP*

Jacqueline Ann Geary (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

27 November 2018



## STATEMENT OF PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2017

	Notes	2017 US\$	2016 US\$
<b>Turnover</b>	1	9,903	13,626
Administrative expenses		(9,903)	(13,626)
<b>OPERATING RESULT/ RESULT BEFORE TAXATION</b>		—	—
Taxation	7	—	—
<b>RESULT FOR THE FINANCIAL YEAR</b>		—	—

The Statement of Profit and Loss Account has been prepared on the basis that all operations are continuing operations. The administrative expenses include an amount of 323 US\$ of exchange difference loss.

## STATEMENT OF COMPREHENSIVE INCOME

There are no other recognised gains and losses during the year other than those in the Statement of Profit and Loss Account.

Dubai Marine Areas Limited

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2017

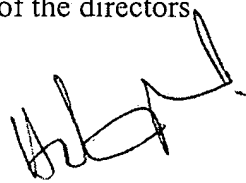
Registered Number: 00535541

	Notes	2017 US\$	2016 US\$
<b>CURRENT ASSETS</b>			
Trade and other receivables	1	195,992	186,088
Cash at bank	6	1,121,575	1,130,746
		<u>1,317,567</u>	<u>1,316,834</u>
<b>Trade and Other Payables:</b> amounts falling due within one year	3	11,168	10,436
<b>NET CURRENT ASSETS/ NET ASSETS</b>		<u>1,306,399</u>	<u>1,306,399</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	86,400	86,400
Capital reserve	5	1,219,999	1,219,999
<b>TOTAL EQUITY</b>		<u>1,306,399</u>	<u>1,306,399</u>

Approved by the Board of Directors on 26 November 2018

For and on behalf of the directors

Hatem Nuseibeh  
Director  
26 November 2018



Dubai Marine Areas Limited

STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	Notes	2017 US\$	2016 US\$
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	6	(9,171)	(16,516)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		<u>(9,171)</u>	<u>(16,516)</u>

Dubai Marine Areas Limited  
STATEMENT OF CHANGE IN EQUITY  
For the year ended 31 December 2017

	<b>Called up Share capital US\$ (note 4)</b>	<b>Capital reserve US\$ (note 5)</b>	<b>Total US\$</b>
<b>At 1 January 2016</b>	86,400	1,219,999	1,306,399
Comprehensive result for the year	-	-	-
<b>At 31 December 2016</b>	86,400	1,219,999	1,306,399
<b>At 1 January 2017</b>	86,400	1,219,999	1,306,399
Comprehensive result for the year	-	-	-
<b>At 31 December 2017</b>	86,400	1,219,999	1,306,399

## 1. JOINT VENTURE AND OWNERSHIP

The company is a corporate joint venture owned equally by Total, S.A. (incorporated in France) and Repsol Exploracion, S.A. (incorporated in Spain). It is a private company limited by shares incorporated in England and Wales. The company's sole activity is a 50% interest in a joint venture to exploit an offshore oil concession in Dubai. In previous years, all the production was sold at cost to the sales branches in Dubai of the two shareholding companies. The company has no employees. Prior to the settlement agreement, the concession agreement was valid until 6 August 2012. Under the settlement agreement the existing concession was terminated with effect from 2 April 2007. Consequently, there has been no activity during 2017.

Turnover typically represents the recovery from shareholders of expenses incurred during the year.

Transactions and balances with the two shareholding companies are as follows:

<b>2017</b>	<b>Total, S.A.</b>	<b>Repsol</b>	<b>Total</b>
<b>Transactions</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Turnover:			
Recharge of administrative expenses	4,952	4,952	9,903
<b>Receivables due within one year</b>			
Amounts due by shareholding companies	97,996	97,996	195,992
<b>2016</b>	<b>Total, S.A.</b>	<b>Repsol</b>	<b>Total</b>
<b>Transactions</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Turnover:			
Recharge of administrative expenses	6,813	6,813	13,626
<b>Receivables due within one year</b>			
Amounts due by shareholding companies	93,044	93,044	186,088

## **2. ACCOUNTING POLICIES**

### ***Accounting convention***

These financial statements were prepared in accordance with International Financial Reporting Standard ('IFRS') as adopted by the European Union.

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. They are presented in US dollars, which is the functional currency of the company.

### ***Going concern basis***

The directors believe it is appropriate for the financial statements to be prepared on a going concern basis, given the positive cash reserves of the company and its net asset position.

### ***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the Statement of Profit and Loss Account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### ***Trade and other creditors***

Trade and other creditors are carried at payment or settlement amounts. If the effect of the time value of money is material, trade and other creditors are determined by discounting the expected future cash flows at a pre-tax rate.

## 2. ACCOUNTING POLICIES (CONTINUED)

### *Critical accounting policies: use of judgements, estimates and assumptions*

No critical judgements and estimates that could have a significant impact on the results of the company were identified.

### *International Financial Reporting Standards not yet adopted*

There are no standards and interpretations in issue but not yet adopted that the directors anticipate will have a material effect on the reported result or net assets of the company.

## 3. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 US\$	2016 US\$
Accrued expenses	11,168	10,436
	<u>11,168</u>	<u>10,436</u>

## 4. SHARE CAPITAL

	Allotted, called up and fully paid	
	2017 US\$	2016 US\$
18,000 ordinary 'A' shares of US\$ 2.40 each	43,200	43,200
18,000 ordinary 'B' shares of US\$ 2.40 each	43,200	43,200
	<u>86,400</u>	<u>86,400</u>

### *Capital risk management*

The company's objective when managing capital is to safeguard the ability to continue as a going concern, so it can continue to maintain an efficient capital structure. In order to maintain

or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

## 5. CAPITAL RESERVE

This relates to the premium on disposal of a partial interest in the joint venture concession in prior years.

## 6. NOTES TO THE STATEMENT OF CASH FLOWS

### a. Reconciliation of operating result to net cash outflow from operating activities:

	2017	2016
	US\$	US\$
Operating result	-	-
Increase in debtors	(9,903)	(13,626)
Increase / (decrease) in creditors	732	(2,890)
Net cash outflow from operating activities	(9,171)	(16,516)

### b. Reconciliation of net cash flow to movement in net cash

	2017	2016
	US\$	US\$
Decrease in cash	(9,171)	(16,516)
Change in cash resulting from cash flows	(9,171)	(16,516)
<b>Movement in net cash</b>	<b>(9,171)</b>	<b>(16,516)</b>
<b>Net cash at 1 January</b>	<b>1,130,746</b>	<b>1,147,262</b>
<b>Net cash at 31 December</b>	<b>1,121,575</b>	<b>1,130,746</b>



## 6. NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

### c. Analysis of changes in net cash

	At 1 January 2017 US\$	Cash outflow US\$	At 31 December 2017 US\$
Cash at bank and in hand	1,130,746	(9,171)	1,121,575
Net cash	<u>1,130,746</u>	<u>(9,171)</u>	<u>1,121,575</u>

## 7. TAXATION

There is no liability to U.K. taxation as the company is not tax resident in the United Kingdom.

## 8. DIRECTORS' REMUNERATION AND STAFF COSTS

No remuneration or pension contributions were paid to directors for services to the company. There were no employees in 2017 (2016: none).

## 9. AUDITOR'S REMUNERATION

The auditor's remuneration for audit is as follows:

	2017 US \$	2016 US \$
Audit of the financial statements	11,168	10,436

## **10. FINANCIAL RISK MANAGEMENT**

The company's financial assets are comprised of Trade and other receivables and Cash at bank, which are both classified as loans and receivables. The financial liabilities are the Trade and other payables, which are classified as Financial liabilities measured at amortised cost. For all financial instruments, the carrying amount is either the fair-value, or approximates the fair-value.

In the ordinary course of business, as well as from its use of financial instruments, the company is exposed to credit risk. Effective risk management is a fundamental aspect of the company's business operations. The policies for managing the credit risk are summarised below:

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due resulting in a financial loss to the Company. Credit risk arises from deposits with financial institutions as well as exposure to the joint-venture partners. In determining the recoverability of a receivable balance, the company performs a risk analysis considering the credit quality of the counterparty, the age of the outstanding amount and any past default experience.

The maximum amount of credit risk at the reporting date is represented by Trade and other receivables and Cash at bank.

The company is exposed to limited credit risk from its operating activities (primarily to its trade and other receivables) as its receivables are mainly due from related parties. The company is not exposed to significant credit risk from its financing activities (primarily to its cash and cash equivalents) as its cash balances are held with reputable financial institutions with a strong credit rating.