

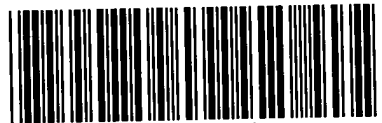
**FRED. OLSEN LIMITED**

**DIRECTORS' REPORT AND  
CONSOLIDATED ACCOUNTS**

**YEAR ENDED 25<sup>TH</sup> DECEMBER 2014**

**REGISTERED NUMBER: 00748590**

WEDNESDAY



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FRED. OLSEN LIMITED

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The principal activities of Fred. Olsen Limited and its subsidiaries include investment, renewable energy and travel services.

BUSINESS REVIEW

During the year the company and its subsidiaries continued to develop their core businesses of renewable energy and travel services. The group achieved revenue growth of 10.4% compared to 2013. This is primarily as a result of the growth experienced within the travel sector and onshore renewables.

The renewable energy business provides a range of services principally for windfarms both onshore and offshore from site prospecting and planning, to contracting and construction and site management. The services also include the provision of wind measurement devices and other products.

Investment in marine renewable energy projects has continued throughout the year.

The travel services business, which operates eight high street travel agencies, general sales agent services, cruise telesales and franchise operations showed growth in 2014.

Dividends were received from subsidiary companies' investments.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to which the Fred. Olsen companies are currently exposed are outlined below.

Economic Risk:

Continuing economic or regulatory uncertainty may cause clients to cancel, postpone or reduce existing or future projects. Continuing projects may be subject to greater cost pressures. The consequence is that staff levels may exceed current workload and therefore the cost of un-productive time may be incurred. Changing economic and regulatory conditions in various markets are closely monitored in order that pre-emptive action can, so far as possible, be taken.

Recruitment and Retention of Key Personnel:

Services are performed by qualified and professional employees with expertise across a wide range of areas. A failure to recruit and retain employees of appropriate calibre will, accordingly, impact the companies' ability to meet clients' requirements and correspondingly to maintain and grow the businesses. Appropriate remuneration structures are maintained which are reviewed on a regular basis to promote an environment that is supportive of professional development through training and career opportunity.

By Order of the Board

  
J. Dowler  
Secretary

30<sup>th</sup> April 2015

FRED. OLSEN LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report together with the audited consolidated accounts for the year ended 25<sup>th</sup> December 2014.

DIRECTORS

The directors during the period under review were:

J. Dowler	
A.S. Olsen	(Norwegian)
T.F. Olsen	(Norwegian)
N.A. Emery	

The company and its subsidiaries purchased and maintained liability insurance covering directors and officers throughout the period under review.

RESULTS

The results for the year are shown in the profit and loss account on page 6. The directors do not recommend the payment of a dividend.

FINANCIAL INSTRUMENTS

The company entered into forward exchange contracts to buy specific amounts of foreign currency in the future at a predetermined exchange rate. Forward exchange contracts are entered into for anticipating foreign currency payments arising from the purchase of goods and services from foreign suppliers. The company does not use derivative financial instruments for speculative purposes.

EMPLOYEES

Employees are encouraged to take an interest in the success of the business. Management and staff are expected to communicate fully within their own area of responsibility. Where reasonable and practicable within existing legislation, all persons, including disabled persons and employees that have become disabled, have been treated in the same way in matters relating to employment, training, career development and promotion.

POLITICAL CONTRIBUTIONS

The company made no political donations or incurred any political expenditure during the year.

DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

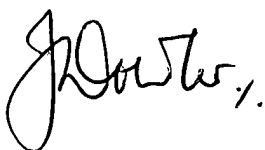
FRED. OLSEN LIMITED

REPORT OF THE DIRECTORS (continued)

AUDITOR

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By Order of the Board

A handwritten signature in black ink, appearing to read 'J. Dowler', with a stylized flourish at the end.

J. Dowler  
Secretary

30<sup>th</sup> April 2015

2<sup>nd</sup> Floor  
64-65 Vincent Square  
London  
SW1P 2NU  
Registered number 00748590

FRED. OLSEN LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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;
- 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 group's and the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF FRED. OLSEN LIMITED

We have audited the financial statements of Fred. Olsen Limited for the year ended 25<sup>th</sup> December 2014 set out on pages 6 to 29. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor**

As explained more fully in the Directors' Responsibilities Statement 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 25<sup>th</sup> December 2014 and of the group's profit for the year then ended; and
- have been properly prepared in accordance with UK 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

  
**Stephen Muncey (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants, Ipswich (DATE)

20 May 2015

FRED. OLSEN LIMITED  
CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 25<sup>TH</sup> DECEMBER 2014

	<u>Notes</u>	<u>2014</u> £000	<u>2013</u> £000
Turnover	2	51,421	46,511
Cost of sales		(20,466)	(17,724)
		<hr/>	<hr/>
Gross Profit		30,955	28,787
Staff costs	4	(20,664)	(19,487)
Depreciation	3	(1,733)	(1,392)
Amortisation		(621)	(683)
Other operating charges		(9,816)	(9,262)
		<hr/>	<hr/>
Operating loss		(1,879)	(2,037)
(Loss)/profit on sale of fixed assets		(54)	191
Income from other fixed asset investments		863	2,630
Interest receivable and similar income	6	11	10
Interest payable and similar charges	7	(142)	(127)
Exchange and other differences		217	(13)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation	3	(984)	654
Taxation on (loss)/profit on ordinary activities	8	1,063	(167)
		<hr/>	<hr/>
Profit for the financial year	19	<u>79</u>	<u>487</u>

The notes on pages 10 to 29 form part of these accounts.

FRED. OLSEN LIMITEDCONSOLIDATED BALANCE SHEET AT 25<sup>TH</sup> DECEMBER 2014

	<u>Notes</u>	<u>2014</u>		<u>2013</u>	
		£000	£000	£000	£000
Fixed assets:					
Tangible assets	9	9,864		11,050	
Goodwill	10	1,013		1,266	
Other intangible assets	10	1,773		1,958	
Investments	11	18,113		18,113	
			30,763		32,387
Current assets:					
Stock	12	791		885	
Debtors	13	22,131		20,670	
Investments	14	1,140		1,144	
Cash and cash equivalents		6,508		6,129	
		30,570		28,828	
Creditors - amounts falling due within one year	15	(17,767)		(20,507)	
Net current assets			12,803		8,321
Total assets less current liabilities			43,566		40,708
Creditors - amounts falling due after more than one year	16		(3,005)		(235)
NET ASSETS			<u>40,561</u>		<u>40,473</u>
CAPITAL AND RESERVES					
Called up share capital	18		15,500		15,500
Profit and loss account	19		25,061		24,973
TOTAL SHAREHOLDER'S FUNDS			<u>40,561</u>		<u>40,473</u>

The notes on pages 10 to 29 form part of these accounts.

Registered number 00748590





FRED. OLSEN LIMITEDCOMPANY BALANCE SHEET AT 25<sup>TH</sup> DECEMBER 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		£000	£000
Fixed assets:			
Tangible assets	9	7,280	7,841
Goodwill	10	--	--
Other intangible assets	10	164	160
Investments	11	25,532	26,282
		<hr/>	<hr/>
		32,976	34,283
Current assets:			
Stock	12	--	--
Debtors	13	10,972	14,042
Investments	14	26	30
Cash at bank and in hand		1,029	556
		<hr/>	<hr/>
		12,027	14,628
Creditors - amounts falling due within one year	15	(4,288)	(10,341)
		<hr/>	<hr/>
Net current assets		7,739	4,287
		<hr/>	<hr/>
Total assets less current liabilities		40,715	38,570
Creditors - amounts falling due after more than one year	16	(2,547)	(47)
		<hr/>	<hr/>
NET ASSETS		<u>38,168</u>	<u>38,523</u>
CAPITAL AND RESERVES			
Called up share capital	18	15,500	15,500
Profit and loss account	19	22,668	23,023
		<hr/>	<hr/>
TOTAL SHAREHOLDER'S FUNDS		<u>38,168</u>	<u>38,523</u>

The notes on pages 10 to 29 form part of these accounts.

These accounts were approved by the Board of Directors on 30<sup>th</sup> April 2015 and were signed on its behalf by:

 J. Dowler )  
 N.A. Emery ) Directors

Registered number 00748590

FRED. OLSEN LIMITEDCONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSESFOR THE YEAR ENDED 25<sup>TH</sup> DECEMBER 2014

	Notes	<u>2014</u> £000	<u>2013</u> £000
Profit for the financial year		79	487
Currency translation differences on foreign currency net investments		9	8
		<hr/>	<hr/>
Total recognised gains/(losses) relating to the year	19	<u>88</u>	<u>495</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Group		Company	
	<u>2014</u> £000	<u>2013</u> £000	<u>2014</u> £000	<u>2013</u> £000
Profit/(loss) for the financial year	79	487	(355)	(1,490)
Other recognised gain relating to the year (net)	9	8	--	--
New share capital subscribed	--	1,500	--	1,500
	<hr/>	<hr/>	<hr/>	<hr/>
Net addition/(deduction) to shareholder's funds	88	1,995	(355)	10
	<hr/>	<hr/>	<hr/>	<hr/>
Opening shareholder's funds	40,473	38,478	38,523	38,513
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholder's funds	<u>40,561</u>	<u>40,473</u>	<u>38,168</u>	<u>38,523</u>

The notes on pages 10 to 29 form part of the financial statements.

FRED. OLSEN LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

(a) Basis of preparation:

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

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking.

(b) Basis of consolidation:

The consolidated accounts of Fred. Olsen Limited and its subsidiary undertakings include the accounts of all significant subsidiary undertakings prepared to 25th December 2014.

Results of subsidiaries acquired and disposed of during the year are consolidated from the date of acquisition and up to the date of disposal.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

(c) Foreign currencies:

Assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date, any differences being charged or credited to the profit and loss account.

Gains and losses arising on transactions in foreign currencies during the year, which are converted into sterling at the rates then ruling, are included in the profit and loss account.

(d) Turnover

Turnover represents revenue recognised by the group of companies in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

When the group of companies acts in the capacity of an agent rather than as the principle in a transaction, the revenue recognised is the net amount of commission earned by the companies.

FRED. OLSEN LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (continued)

- (e) Depreciation is provided on fixed assets as follows:

- (i) Freehold land and buildings

Freehold buildings are depreciated on a straight line basis generally over a maximum of fifty years. Freehold land is not depreciated.

- (ii) Buildings/long leasehold

Depreciation is provided at 2% - 20% on a straight line basis.

- (iii) Plant, machinery, vehicles and equipment

These assets are depreciated on a straight line basis at the following annual rates:

Plant and machinery	2% - 33%
IT equipment	20% - 33%
Wave devices	15%

- (iv) Computer software

Expenditure on computer software is written off on a straight line basis over 3 to 5 years.

- (f) Goodwill:

Goodwill is amortised over 10 years with a full charge in the year of acquisition.

- (g) Intangible fixed assets and amortisation:

Licenses and patents purchased by the group of companies are amortised to nil by equal instalments over their useful economic lives.

Expenditure on research is written off to the profit and loss account in the year in which it is incurred. Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty and adequate resources exist to enable the project to be completed. Such development costs are amortised using the straight line method over their useful economic lives.

- (h) Fixed asset investments:

Investments held as fixed assets are stated at cost less any provision for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable

FRED. OLSEN LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (continued)

(i) Stocks:

Stocks are valued at the lower of cost and net realisable value.

(j) Work in progress

Work in progress is valued at the lower of cost and net realisable value.

(k) Current asset investments:

Current asset investments are stated at the lower of cost or market value.

(l) Operating leases:

The costs incurred under operating leases are charged to the profit and loss account on a straight line basis over the length of the lease.

(m) Tax:

The charge for taxation is based on the result for the year. Deferred tax is recognised, without discounting, in respect of 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 otherwise required by FRS 19.

(n) Pensions:

Contributions to pension schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives, as described more fully in note 22.

FRED. OLSEN LIMITEDNOTES TO THE ACCOUNTS2. TURNOVER

All turnover relates to continuing operations and represents amounts received and receivable in respect of:

	<u>2014</u>	<u>2013</u>
	£000	£000
<u>Classes of business:</u>		
Renewable energy	34,310	33,394
Travel services	14,533	11,030
Management services and other	2,578	2,087
	<u>51,421</u>	<u>46,511</u>
 <u>Geographical segments:</u>	 <u>2014</u>	 <u>2013</u>
	£000	£000
United Kingdom	41,978	37,885
Continental Europe	5,784	5,272
Other - worldwide	3,659	3,354
	<u>51,421</u>	<u>46,511</u>

3. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting) the following:

	<u>2014</u>	<u>2013</u>
	£000	£000
Depreciation on owned assets	1,733	1,392
Amortisation of intangible assets	621	683
Amount receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries of the company	59	58
Other services relating to taxation	53	52
The audit fee for the company	12	11
Other operating leases	944	976

FRED. OLSEN LIMITEDNOTES TO THE ACCOUNTS4. STAFF NUMBERS AND COSTS

The average number of people employed by the group (including directors) during the year was as follows:

	<u>2014</u> No.	<u>2013</u> No.
Management	9	9
Administrative and clerical	485	433
	<u>494</u>	<u>442</u>

The aggregate payroll costs of these persons were as follows:

	<u>2014</u> £000	<u>2013</u> £000
Wages and salaries	16,970	16,230
Social security costs	1,683	1,531
Other pension costs	1,599	1,394
Other staff costs	412	332
	<u>20,664</u>	<u>19,487</u>

5. EMOLUMENTS OF DIRECTORS

	<u>2014</u> £000	<u>2013</u> £000
Directors' emoluments	493	634
Company contributions to money purchase pension schemes	36	54
	<u>529</u>	<u>688</u>

The emoluments of the highest paid director were £258k (2013: £244k).

Company contributions to money purchase pension scheme for the highest paid director were £36k (2013: £25k).

Retirement benefits are accruing to the following number of directors under:

	<u>2014</u> No	<u>2013</u> No
Defined contribution scheme	<u>1</u>	<u>1</u>

FRED. OLSEN LIMITED  
NOTES TO THE ACCOUNTS

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2014</u> £000	<u>2013</u> £000
Interest receivable on bank deposits	11	10
	<u>11</u>	<u>10</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2014</u> £000	<u>2013</u> £000
On bank loans and overdrafts	125	115
On other loans	17	12
	<u>142</u>	<u>127</u>

8. TAXATION

Analysis of charge in period:

	<u>2014</u> £000	<u>2013</u> £000
UK corporation tax:		
Group relief payable	83	55
Adjustments in respect of prior periods	(973)	--
Franked investment income	--	29
	<u>(890)</u>	<u>84</u>
Total current tax charge		
Deferred tax:		
Origination/reversal of timing differences	(173)	19
Effect of decreased tax rate	--	62
Adjustment in respect of previous years	--	2
	<u>(173)</u>	<u>83</u>
Total deferred tax		
Tax on profit on ordinary activities	<u>(1,063)</u>	<u>167</u>

Adjustments in respect of prior periods relate to R&D tax credits receivable on qualifying activities carried out in prior periods.



FRED. OLSEN LIMITEDNOTES TO THE ACCOUNTS8. TAXATION (continued)

Factors affecting the tax (credit)/charge for the current period:

The current tax credit for the period is higher (2013: lower) than the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below.

	<u>2014</u> £000	<u>2013</u> £000
Current tax reconciliation:		
(Loss)/profit on ordinary activities before tax	(984)	654
Current tax at 21.5% (2013: 23.25%)	<hr/> (212)	<hr/> 152
Effects of:		
Items not deductible for tax purposes	95	(397)
Depreciation in excess of capital allowances	357	317
Dividend income	(150)	(140)
Losses utilised/carried forward	--	297
Other timing differences	(7)	(145)
Adjustments in respect of prior periods	(973)	--
Total current tax (credit)/charge	<hr/> (890) <hr/>	<hr/> 84 <hr/>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 25th December 2014 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

**FRED. OLSEN LIMITED**  
**NOTES TO THE ACCOUNTS**

**9. FIXED ASSETS - TANGIBLE**

<u>GROUP</u>	<u>Land and buildings</u> £000	<u>Plant and equipment, fixtures and fittings</u> £000	<u>IT equipment</u>	<u>Wave devices and related costs</u> £000	<u>Work in progress</u> £000	<u>Total</u> £000
Cost:						
At 26 <sup>th</sup> December 2013	3,518	7,549	2,697	5,702	230	19,696
Additions	68	877	630	--	--	1,575
Disposals	(1,063)	(269)	(42)	(58)	--	(1,432)
Transfers between items	--	(58)	58	--	--	--
At 25 <sup>th</sup> December 2014	<u>2,523</u>	<u>8,099</u>	<u>3,343</u>	<u>5,644</u>	<u>230</u>	<u>19,839</u>
Depreciation:						
At 26 <sup>th</sup> December 2013	1,203	2,765	1,706	2,972	--	8,646
Charge for year	134	598	600	401	--	1,733
On disposals	(245)	(103)	(42)	(14)	--	(404)
Transfers between items	--	(32)	32	--	--	--
At 25 <sup>th</sup> December 2014	<u>1,092</u>	<u>3,228</u>	<u>2,296</u>	<u>3,359</u>	<u>--</u>	<u>9,975</u>
Net book value:						
At 25 <sup>th</sup> December 2014	<u>1,431</u>	<u>4,871</u>	<u>1,047</u>	<u>2,285</u>	<u>230</u>	<u>9,864</u>
At 25 <sup>th</sup> December 2013	<u>2,315</u>	<u>4,784</u>	<u>991</u>	<u>2,730</u>	<u>230</u>	<u>11,050</u>

**FRED. OLSEN LIMITED**  
**NOTES TO THE ACCOUNTS**

**9. FIXED ASSETS - TANGIBLE**

<u>COMPANY</u>	<u>Land and buildings</u> £000	<u>Plant and equipment, fixtures and fittings</u> £000	<u>IT equipment</u> £000	<u>Wave devices and related costs</u> £000	<u>Work in progress</u> £000	<u>Total</u> £000
Cost:						
At 26 <sup>th</sup> December 2013	2,145	5,245	154	5,702	230	13,476
Additions	--	30	70	--	--	100
Disposals	--	(6)	(6)	(58)	--	(70)
Transfers between items	--	--	--	--	--	--
At 25 <sup>th</sup> December 2014	<u>2,145</u>	<u>5,269</u>	<u>218</u>	<u>5,644</u>	<u>230</u>	<u>13,506</u>
Depreciation:						
At 26 <sup>th</sup> December 2013	998	1,542	123	2,972	--	5,635
Charge for year	19	163	34	401	--	617
On disposals	--	(6)	(6)	(14)	--	(26)
At 25 <sup>th</sup> December 2014	<u>1,017</u>	<u>1,699</u>	<u>151</u>	<u>3,359</u>	<u>--</u>	<u>6,226</u>
Net book value:						
At 25 <sup>th</sup> December 2014	<u>1,128</u>	<u>3,570</u>	<u>67</u>	<u>2,285</u>	<u>230</u>	<u>7,280</u>
At 25 <sup>th</sup> December 2013	<u>1,147</u>	<u>3,703</u>	<u>31</u>	<u>2,730</u>	<u>230</u>	<u>7,841</u>

**FRED. OLSEN LIMITED**  
**NOTES TO THE ACCOUNTS**

**10. FIXED ASSETS - INTANGIBLE**

<u>GROUP</u>	<u>Licences</u> £000	<u>Patents</u> £000	Development <u>costs</u> £000	<u>Goodwill</u> £000	<u>Total</u> £000
Cost:					
At 26 <sup>th</sup> December 2013	2,810	363	839	1,899	5,911
Additions	--	32	151	--	183
Disposals	--	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 25 <sup>th</sup> December 2014	<u>2,810</u>	<u>395</u>	<u>990</u>	<u>1,899</u>	<u>6,094</u>
Amortisation:					
At 26 <sup>th</sup> December 2013	1,279	203	572	633	2,687
Charge for year	187	28	153	253	621
On disposals	--	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 25 <sup>th</sup> December 2014	<u>1,466</u>	<u>231</u>	<u>725</u>	<u>886</u>	<u>3,308</u>
Net book value:					
At 25 <sup>th</sup> December 2014	<u>1,344</u>	<u>164</u>	<u>265</u>	<u>1,013</u>	<u>2,786</u>
At 25 <sup>th</sup> December 2013	<u>1,531</u>	<u>160</u>	<u>267</u>	<u>1,266</u>	<u>3,224</u>

FRED. OLSEN LIMITED  
NOTES TO THE ACCOUNTS

10. FIXED ASSETS - INTANGIBLE

<u>COMPANY</u>	<u>Patents</u> £000	<u>Development costs</u> £000	<u>Total</u> £000
Cost:			
At 26 <sup>th</sup> December 2013	363	472	835
Additions	32	--	32
Disposals	--	--	--
	<hr/>	<hr/>	<hr/>
At 25 <sup>th</sup> December 2014	395	472	867
Amortisation:			
At 26 <sup>th</sup> December 2013	203	472	675
Charge for year	28	--	28
On disposals	--	--	--
	<hr/>	<hr/>	<hr/>
At 25 <sup>th</sup> December 2014	231	472	703
Net book value:			
At 25 <sup>th</sup> December 2014	164	--	164
	<hr/>	<hr/>	<hr/>
At 25 <sup>th</sup> December 2013	160	--	160
	<hr/>	<hr/>	<hr/>

FRED. OLSEN LIMITEDNOTES TO THE ACCOUNTS11. FIXED ASSETS - INVESTMENTS

	<u>GROUP</u>		<u>COMPANY</u>		
	Other <u>investments</u> £000	<u>Total</u> £000	Shares in group <u>undertakings</u> £000	Other <u>investments</u> £000	<u>Total</u> £000
Cost:					
At 26 <sup>th</sup> December 2013	18,113	18,113	8,191	18,091	26,282
Additions	--	--	750	--	750
Disposals	--	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 25 <sup>th</sup> December 2014	<u>18,113</u>	<u>18,113</u>	<u>8,941</u>	<u>18,091</u>	<u>27,032</u>
Provisions:					
At 26 <sup>th</sup> December 2013	--	--	--	--	--
Movement in year	--	--	1,500	--	1,500
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 25 <sup>th</sup> December 2014	<u>--</u>	<u>--</u>	<u>1,500</u>	<u>--</u>	<u>1,500</u>
Net book value:					
At 25 <sup>th</sup> December 2014	<u>18,113</u>	<u>18,113</u>	<u>7,441</u>	<u>18,091</u>	<u>25,532</u>
At 25 <sup>th</sup> December 2013	<u>18,113</u>	<u>18,113</u>	<u>8,191</u>	<u>18,091</u>	<u>26,282</u>

On 22<sup>nd</sup> May 2014 the company purchased an additional 750,000 ordinary shares of £1 each in its subsidiary undertaking, SeaRoc Group Limited.

FRED. OLSEN LIMITEDNOTES TO THE ACCOUNTS11. INVESTMENTS (continued)

The principal subsidiaries are:

<u>Name</u>	<u>Class of shares held</u>	<u>% of issued shares held</u>		<u>Country of incorporation</u>
		<u>Direct</u>	<u>Indirect</u>	
<u>Renewable Energy</u>				
The Natural Power Consultants Limited	Ordinary	100	---	Scotland
Natural Power Services Limited	Ordinary	---	100	Scotland
Natural Power Operations Limited	Ordinary	---	100	Scotland
Natural Power SARL	Ordinary	---	100	France
Natural Power LLC	Ordinary	---	100	USA
The Natural Power Consultants (Ireland) Ltd	Ordinary	---	100	Rep. of Ireland
The Natural Power Consultants (Sweden) AB	Ordinary	---	100	Sweden
SeaRoc Group Limited	Ordinary	100	---	England & Wales
SeaRoc Limited	Ordinary	---	100	England & Wales
SeaPlanner Limited	Ordinary	---	100	England & Wales
Zephyr Limited	Ordinary	100	---	Scotland
<u>Travel</u>				
Fred. Olsen Travel Limited	Ordinary	100	---	England & Wales
Go Cruise Franchise Limited	Ordinary	---	100	England & Wales
<u>Shipping and Investments</u>				
Trassey Shipping Limited	Ordinary	100	---	Northern Ireland

FRED. OLSEN LIMITEDNOTES TO THE ACCOUNTS12. STOCKS

	<u>GROUP</u>		<u>COMPANY</u>	
	2014 £000	2013 £000	2014 £000	2013 £000
Goods for resale	791	885	--	--
	<u>791</u>	<u>885</u>	<u>--</u>	<u>--</u>

13. DEBTORS

	<u>GROUP</u>		<u>COMPANY</u>	
	2014 £000	2013 £000	2014 £000	2013 £000
Trade debtors	12,928	12,530	324	348
Amounts owed by group undertakings	4,845	4,567	9,683	13,255
Other debtors	1,579	1,249	278	137
Prepayments and accrued income	2,381	2,099	687	302
Deferred tax assets	398	225	--	--
	<u>22,131</u>	<u>20,670</u>	<u>10,972</u>	<u>14,042</u>

14. CURRENT ASSET INVESTMENTS

	<u>GROUP</u>		<u>COMPANY</u>	
	2014 £000	2013 £000	2014 £000	2013 £000
Listed investments	1,140	1,144	26	30
	<u>1,140</u>	<u>1,144</u>	<u>26</u>	<u>30</u>

At 25<sup>th</sup> December 2014 the sterling equivalent market value of the listed investments held by the group was £4,987,393 (2013: £10,124,752). The market value of the listed investments held by the company at that date was £26,049 (2013: £29,577).



FRED. OLSEN LIMITEDNOTES TO THE ACCOUNTS15. CREDITORS

Amounts falling due within one year:

	<u>GROUP</u>		<u>COMPANY</u>	
	2014	2013	2014	2013
	£000	£000	£000	£000
Bank loans	175	2,704	--	2,500
Trade creditors	10,758	11,292	182	286
Amounts owed to group undertakings	200	200	1,501	5,124
Taxation and social security	1,280	1,286	82	73
Other creditors	826	747	220	102
Accruals and deferred income	4,528	4,278	2,303	2,256
	<u>17,767</u>	<u>20,507</u>	<u>4,288</u>	<u>10,341</u>

16. CREDITORS

Amounts falling due after more than one year:

	<u>GROUP</u>		<u>COMPANY</u>	
	2014	2013	2014	2013
	£000	£000	£000	£000
Bank loans	2,688	--	2,500	--
Other creditors	317	235	47	47
	<u>3,005</u>	<u>235</u>	<u>2,547</u>	<u>47</u>

A bank loan totalling £2.5m (2013 £2.5m) is wholly repayable within 5 years. Shares in Bonheur ASA owned by Trassey Shipping Limited, a subsidiary company, are subject to a negative pledge as security for this loan.

FRED. OLSEN LIMITEDNOTES TO THE ACCOUNTS17. PROVISIONS FOR LIABILITIES

	Deferred Tax	
	<u>2014</u>	<u>2013</u>
	£000	£000
Balance at 26 <sup>th</sup> December 2013	(225)	(308)
(Credit)/charge to profit and loss account	(173)	83
	<hr/>	<hr/>
Balance at 25 <sup>th</sup> December 2014	<u>(398)</u>	<u>(225)</u>

The elements of the deferred tax (asset)/liability are as follows:

	<u>2014</u>	<u>2013</u>
	£000	£000
Difference between accumulated depreciation and capital allowances	(647)	(531)
Other timing differences	249	306
	<hr/>	<hr/>
Deferred tax asset (see note 13)	<u>(398)</u>	<u>(225)</u>

18. SHARE CAPITAL

	<u>2014</u>	<u>2013</u>
	£000	£000
Authorised, issued and fully paid:		
15,500,000 ordinary shares of £1 each	15,500	15,500
	<hr/>	<hr/>
	<u>15,500</u>	<u>15,500</u>

19. PROFIT AND LOSS ACCOUNT

	<u>GROUP</u>		<u>COMPANY</u>	
	2014	2013	2014	2013
	£000	£000	£000	£000
At the beginning of the year	24,973	24,478	23,023	24,513
Profit/(loss) for the year	79	487	(355)	(1,490)
Net movement on exchange	9	8	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the year	<u>25,061</u>	<u>24,973</u>	<u>22,668</u>	<u>23,023</u>

FRED. OLSEN LIMITEDNOTES TO THE ACCOUNTS20. COMMITMENTSCAPITAL COMMITMENTS:

Capital commitments at the end of the financial year, for which no provision has been made, are as follows:

	<u>GROUP</u>		<u>COMPANY</u>	
	2014	2013	2014	2013
	£000	£000	£000	£000
Contracted	<u>--</u>	<u>32</u>	<u>--</u>	<u>32</u>

OPERATING LEASE COMMITMENTS:

Annual commitments under non-cancellable operating leases are as follows:

	2014		2013	
	Land and buildings	Other	Land and buildings	Other
	£000	£000	£000	£000
<b>GROUP</b>				
Operating leases which expire:				
Within one year	33	41	138	89
In the second to fifth years	444	274	425	188
Over five years	162	--	116	--
	<u>639</u>	<u>315</u>	<u>679</u>	<u>277</u>
<b>COMPANY</b>				
Operating leases which expire:				
Within one year	--	1	15	--
In the second to fifth years	162	--	133	--
Over five years	--	--	--	--
	<u>162</u>	<u>1</u>	<u>148</u>	<u>--</u>

FRED. OLSEN LIMITEDNOTES TO THE ACCOUNTS20. COMMITMENTS (continued)FINANCIAL COMMITMENTS

As at 25<sup>th</sup> December 2014 the group had committed to purchase currency under forward contracts as follows:

	<u>2014</u> £000	<u>2013</u> £000
US \$7.05 million at rates averaging 1.645 (2013: \$7.1 million at rates averaging 1.602)	4,287	4,432
(2013: NOK 6 million at rates averaging 9.897)	--	606
EUR€ 600k at rates averaging 1.268 (2013: EUR€ 600k at rates averaging 1.195)	473	502
	<hr/> 4,760	<hr/> 5,540

As at 25<sup>th</sup> December 2014 the fair value of the above currency contracts was determined to be an asset of £235,949 (2013: liability of £140,084). These contracts are with commercial banks and are all due to expire within one year.

21. CONTINGENT LIABILITIES

The company has given indemnities to third parties, principally banks, to secure performance bonds and other obligations which at 25th December 2014 amounted to £1,648,684 (2013: £2,116,737).

The company is party to a Multilateral Guarantee with other certain group companies guaranteeing overdraft and other facilities amounting to £Nil (2013: £Nil) at the year end.

The company has provided parent company guarantees in respect of contracts entered into by some of its subsidiary undertakings. The maximum liabilities under the guarantees are £2,711,543.

A contingent liability exists within a subsidiary undertaking relating to a potential claim for the additional charter hire period of a jack up vessel resulting from the damage to a leg whilst on hire. The potential claim amounts to €2,643,766 for the additional hire period plus interest. The directors will contest the claim vigorously. In the event the claim were to succeed, the subsidiary undertaking would have a claim against the main contractor.

FRED. OLSEN LIMITEDNOTES TO THE ACCOUNTS22. PENSION COMMITMENTS

The company operates a pension scheme providing benefits based on pensionable earnings for a number of employees. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives within the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The most recent triennial valuation was carried out as at 31st March 2012. This has been updated by the actuary at 31st December each year as shown in the table below.

	31 December 2014	31 December 2013
Market value of assets	£35.1m	£32.0m
Value of liabilities	£44.5m	£39.6m
Past service deficit	£(9.4)m	£(7.6)m
Funding level	79%	81%

The scheme deficit amounted to £9,400,000 in respect of the valuation at 31st December 2014 and was £7,600,000 in respect of the valuation update at 31<sup>st</sup> December 2013. Related deferred tax at 20% may be calculated as to £1,880,000 and £1,520,000 respectively.

The scheme is closed to new employees. A defined contribution scheme has been set up for new and existing employees.

The net pension contribution charge for the year was £1,550,265 (2012: £1,345,207).

The scheme is a multi-employer scheme as envisaged by FRS 17 'Retirement benefits' and the assets and liabilities pertaining to the group and its staff cannot be separately identified. The group therefore accounts for its contributions to the scheme as if it were a Defined Contribution Scheme.

FRED. OLSEN LIMITED

NOTES TO THE ACCOUNTS

23. RELATED PARTY TRANSACTIONS

Material transactions and balances which occurred during the years under review with other companies in which the controlling shareholders have an interest for the purposes of FRS8 are as follows.

The company charged Fred. Olsen Cruise Lines Limited £2,006,918 (2013: £1,878,604) for the supply of establishment and other office services and for the cost of office based support staff. At the year end Fred. Olsen Cruise Lines owed the company £226,033 (2013: £217,773).

The company charged Fred. Olsen Renewables Limited £346,038 (2013: £320,686) for the supply of establishment and other office services. At the year end, Fred. Olsen Renewables Limited owed the company £10,070 (2013: £6,986)

During the year the company purchased goods and services from FO BOX AS for the construction and development of wave devices totalling £602,972 (2013: £667,169). At the year end, the company owed FO BOX AS £105,061 (2013: £201,189).

24. ULTIMATE HOLDING COMPANY

The company is a subsidiary undertaking of Fred. Dessen & Co. Limited which is the ultimate parent company and is incorporated in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Fred. Dessen & Co. Limited. A copy of the consolidated annual accounts of the ultimate parent company can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff.