

# TH Group Services Limited

## Annual Report and Unaudited Financial Statements

### For the year ended 31 December 2016



Company Registration No. 00932159 (England and Wales)

# TH Group Services Limited

## Company Information

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<b>Directors</b>	Rufus Laycock Runar Nilsen
<b>Company number</b>	00932159
<b>Registered office</b>	Betchworth House 57-65 Station Road Redhill Surrey RH1 1DL

# TH Group Services Limited

## Directors' Report

For the year ended 31 December 2016

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The directors present their annual report and financial statements for the year ended 31 December 2016.

### Principal activities and significant events

The Company is a member of the TH Global group of companies which is engaged in a work-out process. The work-out is a financial and organisational restructuring whose objective is to resolve outstanding disputes and liabilities, in the best interests of creditors and other stakeholders.

During 2014, as a consequence of a materially unfavourable and unexpected outcome in a Finnish legacy taxation dispute, the repercussions of that negative result and the deteriorating cash position of the UK companies of the Group, the Group took the decision to cease its UK operations and to accelerate the close-out of the work-out of non-UK entities. The majority of the Group's UK companies have been placed in creditors' voluntary liquidation.

The Company is a provider of administrative services to other companies in the TH Global Group and is an investment holding company.

The Company is the recipient of industrial injury and disease claims submitted by former employees. The Company does not hold the liability for these claims. During the 1970s, 1980s and 1990s the Company was the central UK employer and administration services provider of the former Trafalgar House group of companies and later, Kvaerner group of companies. In its role the Company acted both as the employing company of monthly paid UK employees of the Trafalgar House group and/or as payroll agent. Employees were seconded by the Company to the various UK operating companies comprising the Trafalgar House and later, Kvaerner, groups. The burden of paying remuneration, allowances and employment related benefits and discharging liabilities incurred in relation to employment was, and is, the responsibility of the relevant operating company. Consequently, the Company has no liability in respect of liabilities related to its employees seconded to the various operating companies.

### Future prospects of the group and going concern

These financial statements have not been prepared on a going concern basis.

Due to the events described above, the Group determined that there was no realistic alternative but to cease the UK operations and at the same time to accelerate the close-out of the non-UK entities.

The three remaining UK companies in the Group continue for the time being in a last attempt to achieve an orderly close-out of a non-UK legacy matter in an effective and cost efficient manner (in part to avoid/ mitigate certain identified risks of additional costs, in the interests of the creditors).

It is anticipated that the Company and the remaining UK companies in the Group will enter creditors' voluntary liquidation (or analogous proceedings) as and when this complex and unpredictable legacy matter is resolved. However, the directors will need to reconsider the position of the Company earlier if the likelihood of negative consequences arising from or a negative final outcome of the legacy matter occurring is more likely than not.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Rufus Laycock  
Runar Nilsen

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

# TH Group Services Limited

## Directors' Report (Continued)

For the year ended 31 December 2016

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On behalf of the board

*Rufus Laycock*

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Rufus Laycock

**Director**

18 SEPTEMBER 2017  
.....

# TH Group Services Limited

## Profit and Loss Account

For the year ended 31 December 2016

	Notes	2016 £	2015 £
Administrative expenses		(195,317)	(207,246)
Write back of intercompany payables on dissolution of intragroup debtor		-	2,208
Creation of provision against investment in subsidiaries		-	(962,404)
<b>Operating loss</b>		<b>(195,317)</b>	<b>(1,167,442)</b>
Income from shares in group undertakings	3	-	845,163
Interest receivable and similar income	3	19,351	8,673
Interest payable and similar expenses	4	(189,543)	(215,767)
<b>Loss before taxation</b>		<b>(365,509)</b>	<b>(529,373)</b>
Taxation	5	-	-
<b>Loss for the financial year</b>		<b>(365,509)</b>	<b>(529,373)</b>
<b>Total comprehensive income for the year</b>		<b>(365,509)</b>	<b>(529,373)</b>

# TH Group Services Limited

## Balance Sheet

As at 31 December 2016

	Notes	2016 £	£	2015 £	£
<b>Current assets</b>					
Debtors	7	99,061		102,814	
Cash at bank and in hand		914,988		1,091,235	
		<u>1,014,049</u>		<u>1,194,049</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(345,948,677)</u>		<u>(345,763,168)</u>	
Net current liabilities		<u>(344,934,628)</u>		<u>(344,569,119)</u>	
<b>Capital and reserves</b>					
Called up share capital	9	100,000,000		100,000,000	
Profit and loss reserves		<u>(444,934,628)</u>		<u>(444,569,119)</u>	
<b>Total equity</b>		<u>(344,934,628)</u>		<u>(344,569,119)</u>	

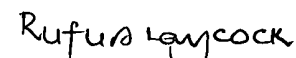
For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

### Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared 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 18 SEPTEMBER 2017 and are signed on its behalf by:

  
 Rufus Laycock  
 Director

Company Registration No. 00932159

# TH Group Services Limited

## Notes to the Financial Statements

For the year ended 31 December 2016

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### 1 Accounting policies

#### Company information

TH Group Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is Betchworth House, 57-65 Station Road, Redhill, Surrey, RH1 1DL.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of 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 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 pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of TH Group Services Limited prepared in accordance with Section 1A of FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### 1.2 Basis of preparation

These financial statements have not been prepared on a going concern basis. The background and reasons for this basis of preparation are explained below.

The Company is a member of the TH Global group of companies which is engaged in a work-out process. The work-out is a financial and organisational restructuring whose objective is to resolve outstanding disputes and liabilities, in the best interests of creditors and other stakeholders.

During 2014, as a consequence of a materially unfavourable and unexpected outcome in a Finnish legacy taxation dispute, the repercussions of that negative result and the deteriorating cash position of the UK companies of the Group, the Group took the decision to cease its UK operations and to accelerate the close-out of the work-out of non-UK entities. The majority of the Group's UK companies have been placed in creditors' voluntary liquidation.

Due to the events described above, the Group determined that there was no realistic alternative but to cease the UK operations and at the same time to accelerate the close-out of the non-UK entities.

The three remaining UK companies in the Group continue for the time being in a last attempt to achieve an orderly close-out of a non-UK legacy matter in an effective and cost efficient manner (in part to avoid/mitigate certain identified risks of additional costs, in the interests of the creditors).

It is anticipated that the Company and the remaining UK companies in the Group will enter creditors' voluntary liquidation (or analogous proceedings) as and when this complex and unpredictable legacy matter is resolved. However, the directors will need to reconsider the position of the Company earlier if the likelihood of negative consequences arising from or a negative final outcome of the legacy matter occurring is more likely than not.

#### Impairment of intercompany receivables and investments in subsidiaries

Intercompany receivables and investments in subsidiary undertakings are impaired. A provision equal to 100% of the carrying amount of the intercompany receivable and the investment in subsidiary undertaking exists. The carrying amount of the intercompany receivable and investment in subsidiary undertaking is therefore reduced to "nil" recoverable amount.

# TH Group Services Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

### 1 Accounting policies

(Continued)

#### 1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

#### 1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.5 Financial instruments

The company only has basic financial instruments measured at amortised cost, with no financial instruments classified as 'other' or basic instruments measured at fair value.

#### 1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.7 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.8 Group accounts

The company qualifies as a small company and the group headed by it qualifies as a small group pursuant to Part 15 of the Companies Act 2006 and is exempt from the requirement to prepare group accounts on the grounds of its size.

### 2 Employees

The company had no employees in the current or prior year.

### 3 Interest receivable and similar income

	2016 £	2015 £
Interest receivable and similar income includes the following:		
Income from shares in group undertakings	-	845,163
Sundry income	19,351	8,673
	<u>19,351</u>	<u>853,836</u>



# TH Group Services Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

### 4 Interest payable and similar expenses

	2016 £	2015 £
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	189,543	215,767

### 5 Taxation

	2016 £	2015 £
<b>UK Corporation Tax</b>		
Total current tax and tax on profit from ordinary activities	-	-
<b>Total current tax</b>	-	-

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2016 £	2015 £
Loss before taxation	(365,509)	(529,373)
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)</i>	(73,102)	(107,198)
Tax effect of income not taxable in determining taxable profit	1,366	200,535
Non taxable income	(245)	(171,593)
Capital allowances in excess of depreciation	(2,086)	(2,576)
Unutilised tax losses carried forward	74,067	80,832
<b>Tax charge for the year</b>	-	-

It is anticipated that any future taxable income in this company will be sheltered from tax by utilisation of group relief from other Group companies, and, where possible, the use of the Group's tax losses arising in prior years.

There is no potential liability to deferred taxation (2015: £nil).

# TH Group Services Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

### 6 Fixed asset investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2016 and 31 December 2016	-
<b>Impairment</b>	
At 1 January 2016 and 31 December 2016	-
<b>Net book value</b>	
At 31 December 2016	-
At 31 December 2015	-

#### Holdings in Subsidiary undertakings

Company	Country of registration or incorporation	Shares held Class	%
<b>Direct subsidiary:</b>			
Clavis Maris Finlandiae OY (in liquidation)	Finland	Ordinary	100.00
<b>Indirect subsidiary (shares held by subsidiary undertaking):</b>			
TH Finland OY	Finland	Ordinary	100.00

#### Financial information about subsidiary undertakings

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

Direct subsidiary:	Principal activity	Capital and reserves 2016	Profit/(loss) for the year 2016
Clavis Maris Finlandiae OY (in liquidation)	In liquidation	No information available	
<b>Indirect subsidiary (shares held by subsidiary undertaking):</b>			
TH Finland OY	Not trading	No information available	

Details of the impairments to the carrying values of investments in subsidiaries have been disclosed in note 1.2 Basis of Preparation in these financial statements.

# TH Group Services Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

### 7 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
VAT recoverable	7,761	9,575
Amounts owed by fellow subsidiary undertakings	50,000	50,000
Prepayments and accrued income	41,300	43,239
	<u>99,061</u>	<u>102,814</u>

Details of the impairments to the carrying values of intercompany receivables have been disclosed in note 1.2 Basis of Preparation in these financial statements.

### 8 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	9,622	19,277
Amounts owed to fellow subsidiary undertakings	345,936,304	345,743,554
Accruals and deferred income	2,751	337
	<u>345,948,677</u>	<u>345,763,168</u>

### 9 Called up share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100,000,000 ordinary shares of £1 each	<u>100,000,000</u>	<u>100,000,000</u>

# TH Group Services Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

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### 10 Related party transactions

#### Identity of related parties

The Company has related party relationships with member companies of the same group, with its ultimate owners and with its directors.

#### Transactions between related parties

The Company has chosen to disclose material transactions with related parties (including those concluded under normal market conditions).

The related party transactions with member companies of the same group relate solely to intercompany debt and intercompany account receivables. The Company has taken advantage of the exemptions in FRS 102 from disclosing transactions entered into with two or more members of the Group.

One of the directors, Mr Runar Nilsen, owns one-third of the voting rights in the ultimate parent company of the Company.

The transactions arising from the related party relationships with the directors relate solely to the compensation for their management of the affairs of the Company and the wider TH Global group. The emoluments paid by the Company to the directors for these management services during the year under review are shown in the table below.

	2016 £	2015 £
Directors' emoluments	77,279	90,973

### 11 Parent company

The immediate parent company is Kvaerner E&C Holdings Limited (in liquidation), incorporated in England and Wales.