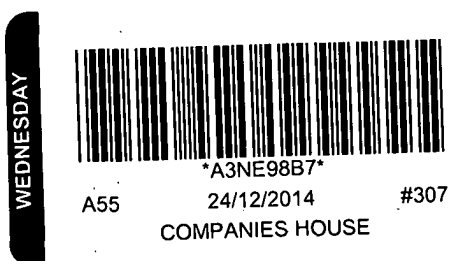


TH Group Services Limited

Directors' Report and Unaudited Financial Statements
For the year ended 31 December 2013



Company Registration No. 00932159 (England and Wales)

TH Group Services Limited

Company Information

Directors	Rufus Laycock Runar Nilsen
Company number	00932159
Registered office	Surrey House 36-44 High Street Redhill Surrey RH1 1RH

TH Group Services Limited

Directors' Report

For the year ended 31 December 2013

The directors present their report and financial statements for the year ended 31 December 2013.

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. A number 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 is 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 Group continues to (i) progress further realisations/recoveries and (ii) seek an orderly close-out of certain non-UK legacy matters in an effective and cost efficient manner and also, to avoid or mitigate identified liabilities and risks.

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 the legacy matters are resolved (or a solution on acceptable terms is no longer likely or possible).

Directors

The following directors have held office since 1 January 2013:

Rufus Laycock
Runar Nilsen

TH Group Services Limited

Directors' Report (Continued)

For the year ended 31 December 2013

Statement of directors' responsibilities

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

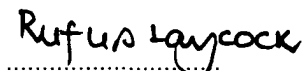
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



Rufus Laycock
Director

22 December 2014

TH Group Services Limited

Profit and Loss Account

For the year ended 31 December 2013

	Notes	2013 £	2012 £
Administrative expenses		(403,626,030)	(456,524)
Creation of provision against investment in subsidiaries		(42,531,319)	-
Operating loss	2	(446,157,349)	(456,524)
Interest receivable and similar income	3	160,000	1,511,372
Interest payable and similar charges	4	(213,622)	(213,137)
(Loss)/profit on ordinary activities before taxation		(446,210,971)	841,711
Tax on (loss)/profit on ordinary activities	5	-	-
(Loss)/profit for the year	12	(446,210,971)	841,711

TH Group Services Limited

Balance Sheet

As at 31 December 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Investments	7		1,909,681		44,441,000
Current assets					
Debtors	8	6,982		403,259,239	
Creditors: amounts falling due within one year	10	(345,189,735)		(344,762,340)	
Net current (liabilities)/assets			(345,182,753)		58,496,899
Total assets less current liabilities			(343,273,072)		102,937,899
Capital and reserves					
Called up share capital	11	100,000,000		100,000,000	
Profit and loss account	12	(443,273,072)		2,937,899	
Shareholders' funds			(343,273,072)		102,937,899

For the financial year ended 31 December 2013 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. No member of the company eligible to do so has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

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 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 22 December 2014

Rufus Laycock

Rufus Laycock
Director

Company Registration No. 00932159

TH Group Services Limited

Notes to the Financial Statements

For the year ended 31 December 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

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. A number of the Group's UK companies have been placed in creditors' voluntary liquidation.

Due to the events described above, the Group determined that there is 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 Group continues to (i) progress further realisations/recoveries and (ii) seek an orderly close-out of certain non-UK legacy matters in an effective and cost efficient manner and also, to avoid or mitigate identified liabilities and risks.

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 the legacy matters are resolved (or a solution on acceptable terms is no longer likely or possible).

Impairment of intercompany receivables and investments in subsidiaries

During the year, the directors determined that intercompany receivables and investments in subsidiary undertakings (except for certain very limited exceptions) are impaired. The impairment loss is recognised by setting up a provision equal to 100% of the existing carrying amount of the intercompany receivable and the investment in subsidiary undertaking. Taking account of the circumstances of the Group, the directors found it reasonable to conclude that there is objective evidence that intercompany receivables and investments in subsidiary undertakings are impaired, and that the impairments will give a fairer view of the recoverable amounts of intercompany receivables and of investments in subsidiary undertakings as a whole.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Investments

Shares in subsidiary and associate undertakings are stated at cost, less any amounts written off.

TH Group Services Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2013

1 Accounting policies

(Continued)

1.4 Foreign currency translation

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.

1.5 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 Operating loss

2013

2012

£

£

Operating loss is stated after charging:

Directors' remuneration

216,140

296,193

3 Interest receivable and similar income

2013

2012

£

£

External Interest receivable

-

32

Dividend receivables

-

1,501,340

Sundry income

160,000

10,000

160,000

1,511,372

4 Interest payable and similar charges

2013

2012

£

£

Included in interest payable is the following amount:

Interest payable to group companies

213,622

213,137

TH Group Services Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2013

5	Taxation	2013 £	2012 £
	UK Corporation Tax		
	Total current tax and tax on profit from ordinary activities	-	-
	Total current tax	-	-
	Factors affecting the current tax charge		
	The tax assessed for the year is higher than (2012: lower than) the standard rate of corporation tax in the United Kingdom. The reconciliation is as follows:		
	(Loss)/profit on ordinary activities before taxation	(446,210,971)	841,711
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.25% (2012 - 24.50%)	(103,744,051)	206,219
	Effects of:		
	Capital allowances in excess of depreciation	(4,399)	(5,846)
	Income not assessable for tax purposes - dividend from subsidiary	-	(367,828)
	Expenditure not deductible for tax purposes	103,685,526	13,538
	Increase in losses carried forward	62,924	153,917
		103,744,051	(206,219)
	Current tax charge for the year	-	-
	Factors affecting future tax charges		
	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 (2012: £nil)		

6	Directors' remuneration	2013 £	2012 £
	Directors' Emoluments	216,140	296,193

During the year under review, the directors were remunerated by the Company for their services to the Company and the wider TH Global Group. It is not practical to allocate the remuneration between Group companies.

TH Group Services Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2013

7 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 January 2013	61,373,997
Disposals	(3,566,771)
At 31 December 2013	57,807,226
Impairment	
At 1 January 2013	16,932,997
Reversal on winding up of subsidiary undertakings	(3,566,771)
Creation of provision against investment in subsidiaries	42,531,319
At 31 December 2013	55,897,545
Net book value	
At 31 December 2013	1,909,681
At 31 December 2012	44,441,000

Subsidiary undertakings

Company	Country of registration or incorporation	Class	Shares held %
Direct Subsidiaries			
Kvaerner International Pte Limited*	Singapore	Ordinary	100.00
Kvaerner Oil & Gas AS	Norway	Ordinary	100.00
Indirect Subsidiaries			
Clavis Maris Finlandiae OY	Finland	Ordinary	100.00
TH Finland Oy	Finland	Ordinary	100.00

TH Group Services Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2013

7 Fixed asset investments

(Continued)

Indirect subsidiaries relate to shares held by a subsidiary undertaking(s) of the Company.

*:Kvaerner International Pte Limited was placed in creditors' voluntary liquidation on 12 June 2014.

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

		Capital and reserves 2013 £	Profit/(loss) for the year 2013 £
Kvaerner International Pte Limited*	Not trading	(SGD 5,980)	-
Kvaerner Oil & Gas AS	Not trading	NOK 279,100,684	(NOK 262,094)
Clavis Maris Finlandiae OY	Not trading	No information available	
TH Finland OY	Not trading	No information available	

Details of the impairments to the carrying value of investments in subsidiaries have been disclosed in note 1.1 Accounting convention in these financial statements.

8 Debtors

	2013 £	2012 £
VAT recoverable	5,914	15,647
Amounts owed by fellow subsidiary undertakings	-	403,236,550
Prepayments and accrued income	1,068	1,042
	<u>6,982</u>	<u>403,259,239</u>

Details of the impairments to the carrying values of intercompany receivables have been disclosed in note 1.1 Accounting convention in these financial statements.

9 Cash at bank

During the year under review, the Company was a participant in a multicurrency group bank account and banking facility with DNB Bank ASA. The Company has a contingent liability in terms of an undertaking given to DNB Bank ASA in support of borrowings of other TH Global group companies party to this group bank account and banking facility.

Of the total cash and bank balance on the balance sheet, £(824,579) (2012: £(492,338)), are deposits held in bank sub-accounts that are part of a group pooling system. Other TH Global group companies may have withdrawn amounts deposited on such sub-accounts, such that the net balance on the accounts may be less than the reported balance. The bank has at any time a right of set-off in respect of any debit balance on any sub-account, towards satisfaction of any credit balance on other sub-accounts, in which case any debit balance represents a receivable from the TH Global group and any credit balance represent borrowings.

TH Group Services Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2013

10 Creditors: amounts falling due within one year	2013	2012
	£	£
Overdraft in group cash pooling arrangement	824,579	492,338
Trade creditors	1,307	1,250
Amounts owed to fellow subsidiary undertakings	344,346,986	344,133,443
VAT refund to be repaid to group companies	-	62,220
Accruals and deferred income	16,863	73,089
	<u>345,189,735</u>	<u>344,762,340</u>

11 Share capital	2013	2012
	£	£
Allotted, called up and fully paid		
100,000,000 ordinary shares of £1 each	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>

12 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 January 2013	2,937,899
Loss for the year	(446,210,971)
Balance at 31 December 2013	<u>(443,273,072)</u>

13 Control

In the opinion of the directors there is no ultimate controlling party.

TH Group Services Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2013

14 Related party transactions

Identity of related parties

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

Transactions between related parties

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 the FRSSE from disclosing transactions entered into with two or more members of the Group.

The transactions arising from the related party relationships with the Directors relate solely to the compensation for their management services to the Group. See Note 6 (Directors' emoluments) for further information.