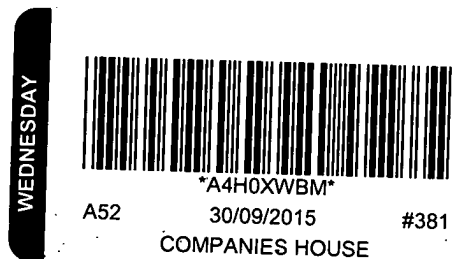


TH Group Services Limited

Directors' Report and Unaudited Financial Statements

For the year ended 31 December 2014



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 2014

The directors present their report and financial statements for the year ended 31 December 2014.

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 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 remaining UK companies in the Group continue for the time being to (i) progress further asset realisations/recoveries and (ii) to achieve an orderly close-out of certain non-UK legacy matters in an effective and cost efficient manner (in part to avoid/ mitigate certain identified risks in the interests of 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 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 2014:

Rufus Laycock
Runar Nilsen

TH Group Services Limited

Directors' Report (Continued)

For the year ended 31 December 2014

Statement of directors' responsibilities

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

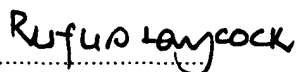
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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

28 September 2015

TH Group Services Limited

Profit and Loss Account

For the year ended 31 December 2014

	Notes	2014 £	2013 £
Administrative expenses		(327,808)	(403,626,030)
Creation of provision against investment in subsidiaries		(947,277)	(42,531,319)
Operating loss	2	(1,275,085)	(446,157,349)
Investment income	3	700,678	-
Interest receivable and similar income	3	22,425	160,000
Interest payable and similar charges	4	(214,692)	(213,622)
Loss on ordinary activities before taxation		(766,674)	(446,210,971)
Tax on loss on ordinary activities	5	-	-
Loss for the year	11	(766,674)	(446,210,971)

TH Group Services Limited

Balance Sheet

As at 31 December 2014

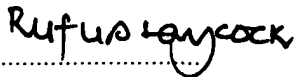
	Notes	2014 £	£	2013 £	£
Fixed assets					
Investments	7		962,404		1,909,681
Current assets					
Debtors	8	95,562		6,982	
Cash at bank and in hand		501,982		-	
		597,544		6,982	
Creditors: amounts falling due within one year	9	(345,599,694)		(345,189,735)	
Net current liabilities			(345,002,150)		(345,182,753)
Total assets less current liabilities			(344,039,746)		(343,273,072)
Capital and reserves					
Called up share capital	10	100,000,000		100,000,000	
Profit and loss account	11	(444,039,746)		(443,273,072)	
Shareholders' funds			(344,039,746)		(343,273,072)

For the financial year ended 31 December 2014 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 28 September 2015


 Rufus Laycock
 Director

Company Registration No. 00932159

TH Group Services Limited

Notes to the Financial Statements

For the year ended 31 December 2014

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. 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 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 remaining UK companies in the Group continue for the time being to (i) progress further asset realisations/recoveries and (ii) to achieve an orderly close-out of certain non-UK legacy matters in an effective and cost efficient manner (in part to avoid/ mitigate certain identified risks in the interests of 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 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

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

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.

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.

TH Group Services Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

1 Accounting policies

(Continued)

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	2014	2013
	£	£
Operating loss is stated after charging:		
Directors' remuneration	222,172	216,140
	<u> </u>	<u> </u>
3 Interest receivable and similar income	2014	2013
	£	£
Income from shares in group undertaking	700,678	-
Sundry income	22,425	160,000
	<u> </u>	<u> </u>
	723,103	160,000
	<u> </u>	<u> </u>
4 Interest payable and similar charges	2014	2013
	£	£
Included in interest payable is the following amount:		
Interest payable to group companies	214,692	213,622
	<u> </u>	<u> </u>

TH Group Services Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

5	Taxation	2014 £	2013 £
	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 (2013: higher than) the standard rate of corporation tax in the United Kingdom. The reconciliation is as follows:		
	Loss on ordinary activities before taxation	(766,674)	(446,210,971)
	<i>Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.49% (2013 - 23.25%)</i>	(164,758)	(103,744,051)
	Effects of:		
	Capital allowances in excess of depreciation	(3,335)	(4,399)
	Income not assessable for tax purposes - dividend from subsidiary	(150,575)	-
	Expenditure not deductible for tax purposes	203,570	103,685,526
	Increase in losses carried forward	115,098	62,924
		164,758	103,744,051
	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 (2013: £nil)

6 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2014 £	2013 £
Aggregate remuneration	222,172	216,140

TH Group Services Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

7 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 January 2014 & at 31 December 2014	57,807,226
Impairment	
At 1 January 2014	55,897,545
Creation of provision against investment in subsidiaries	947,277
At 31 December 2014	56,844,822
Net book value	
At 31 December 2014	962,404
At 31 December 2013	1,909,681

Holdings in Subsidiary undertakings

Company	Country of registration or incorporation	Class	Shares held	Notes %
Direct Subsidiaries:				
Clavis Maris Finlandiae OY	Finland	Ordinary	100.00	
Kvaerner International Pte Limited (in liquidation)	Singapore	Ordinary	100.00	a
Kvaerner Oil & Gas AS(in liquidation)	Norway	Ordinary	100.00	b
Indirect Subsidiary (shares held by subsidiary undertaking):				
TH Finland Oy	Finland	Ordinary	100.00	

Notes:

(a) Kvaerner International Pte Limited (in liquidation) was placed in creditors' voluntary liquidation on 12 June 2014.

(b) Kvaerner Oil & Gas AS (in liquidation) was placed in members' voluntary liquidation on 24 April 2014.

TH Group Services Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

7 Fixed asset investments

(Continued)

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:

	Principal activity	Capital and reserves 2014	Profit/(loss) for the year 2014	Notes
Direct Subsidiaries:				
Clavis Maris Finlandiae OY	Not trading	No information available		
Kvaerner International Pte Limited (in liquidation)	In liquidation	(SGD 17,980)	(SGD 12,000)	a
Kvaerner Oil & Gas AS(in liquidation)	In liquidation	NOK 14,769,384	(NOK 1,368,262)	
Indirect Subsidiary (shares held by subsidiary undertaking):				
TH Finland OY	Not trading	No information available		

Notes:

(a) Information for the period from 1 January to 31 May 2014 being the latest financial information available prior to the commencement of creditors' voluntary liquidation.

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

	2014 £	2013 £
VAT recoverable	17,418	5,914
Amounts owed by fellow subsidiary undertakings	50,000	-
Prepayments and accrued income	28,144	1,068
	<u>95,562</u>	<u>6,982</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.

TH Group Services Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

9 Creditors: amounts falling due within one year	2014	2013
	£	£
Overdraft in group cash pooling arrangement	-	824,579
Trade creditors	56,475	1,307
Amounts owed to fellow subsidiary undertakings	345,532,141	344,346,986
Accruals and deferred income	11,078	16,863
	<u>345,599,694</u>	<u>345,189,735</u>

At 31 December 2013, the company was a participant in a UK group cash pooling arrangement. This cash pooling arrangement terminated in May 2014.

10 Share capital	2014	2013
	£	£
Allotted, called up and fully paid		
100,000,000 ordinary shares of £1 each	<u>100,000,000</u>	<u>100,000,000</u>

11 Statement of movements on profit and loss account	Profit and loss account
	£
Balance at 1 January 2014	(443,273,072)
Loss for the year	<u>(766,674)</u>
Balance at 31 December 2014	<u>(444,039,746)</u>

12 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 2014

13 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.