

**Subsea 7 M.S. Limited**  
**Report and Financial Statements**

**For the year ended 31 December 2015**

**Registered Number 02074427**



# **Subsea 7 M.S. Limited**

## **Report and Financial Statements for the year ended 31 December 2015**

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**Directors and Other Information  
for the year ended 31 December 2015**

**Executive Directors**

Mark Foley

Thomas Hickey (appointed 29 May 2015)

Karen Lawrie (resigned 29 May 2015)

Rachel Watts

**Secretary**

Lorna Peace

**Registered office**

200 Hammersmith Road

Hammersmith

London

W6 7DL

**Independent Auditors**

Ernst & Young LLP

Statutory Auditor

Blenheim House

Fountainhall Road

Aberdeen

AB15 4DT

**Strategic Report****for the year ended 31 December 2015**

The Directors present their Strategic Report and the audited financial statements of Subsea 7 M.S. Limited (the "Company") for the year ended 31 December 2015.

**Review of Business**

Effective from 1 January 2012 the Company sold its trade, assets and liabilities to fellow subsidiary entity, Subsea 7 (UK Service Company) Limited with the intention of ceasing to trade. In the year ended 31 December 2015, the Company had limited activity.

Revenue during the year of £21,000 (2014: £229,000) was primarily from interest income received on balances with other Group undertakings. This is in line with expectations of the Directors for the year.

The profit, after taxation, was £17,000 (2014: profit of £306,000). The Directors do not recommend the distribution of a dividend and the income generated has been transferred to reserves.

During the year the Company transitioned from EU-adopted IFRS to FRS 101 – Reduced Disclose Framework and has taken advantage of the disclosure exemptions allowed under this standard. The Company's parent undertaking, Subsea 7 Senior Holdings (UK) Limited, was notified of and did not object to the use of the exemptions from EU-adopted IFRS disclosure. The Company intends to continue to take advantage of these disclosure exemptions in future periods. There were no material recognition or measurement differences arising on the adoption of FRS 101.

**Key Performance indicators**

Under s414C of the Companies Act 2006, the Directors are required to disclose the Company's financial and non-financial Key Performance Indicators. Subsea 7 manages its operations at a segmental and geographical level. For these reasons the Directors believe that the disclosure of Key Performance Indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group, which includes this Company, is discussed in the annual report and consolidated financial statements of the ultimate parent undertaking, Subsea 7 S.A.

The Directors are satisfied with the performance and results of the Company for the year.

**Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The Company is subject to management processes applicable to the entire Group. The Group's risk management programme seeks to limit the adverse effects of these factors on the financial performance of Group companies. Information on how the risks specific to the Company arise are set out below, as are the objectives, policies and processes for their management and the methods used to measure each risk.

**Investment risks**

The financial position and performance of the Company is considered to relate to the value of investments, the trading position and the results of certain subsidiary undertakings, their ability to make dividend payments to the Company or repay amounts due to the Company is a principal risk. The Company monitors the financial position and performance of all subsidiaries and records impairments against investments and receivables where appropriate. Where necessary actions would be taken to recapitalise subsidiaries or provide financial support.

**Credit risk**

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and trade debtors. Cash and cash equivalents, primarily composed of deposits and investments are maintained with a number of major financial institutions in each of the regions that the Company operates. The Company performs on-going credit evaluations and generally does not require collateral from its customers.

The credit risk on liquid funds is mitigated because the Company's counterparties are either Group undertakings or banks with high credit-ratings assigned by international credit rating agencies.

**Strategic Report (continued)**  
**for the year ended 31 December 2015**

**Principal risks and uncertainties (continued)**

**Liquidity risk**

The Company is part of the Group's centralised financing arrangements which, through committed banking facilities, seeks to meet the working capital requirements of all Group companies and finance the acquisition or construction of new assets.

The Group actively maintains a mixture of long-term and short-term committed facilities that are designed to ensure the Group has sufficient available funds for operations and planned expansions. The Company has access to a working capital facility provided by another Group Company.

In the opinion of the Directors, the Company is well placed to successfully manage the principal risks and uncertainties.

By order of the Board

A handwritten signature in black ink, appearing to be 'Mark Foley', written over a horizontal line.

**Mark Foley**  
**Director**

23 September 2016

**Directors' Report**  
**for the year ended 31 December 2015**

The Directors present their report and the audited financial statements of Subsea 7 M.S. Limited (the "Company") for the year ended 31 December 2015.

**Directors**

The names of the current Directors are listed on page 3. All held office throughout the year with the exception of Thomas Hickey who was appointed a Director on 29 May 2015. Karen Lawrie served as a Director until her resignation on 29 May 2015.

**Qualifying third party indemnity provisions**

The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

**Principal activities**

The Company is a wholly owned subsidiary of Subsea 7 Senior Holdings (UK) Limited, an entity incorporated in England, and is part of the Subsea 7 S.A. group of entities (the "Group").

The Company's principal activity is as an investment holding company within the Group. There have been no significant changes in the Company's principal activity during the year.

**Results and performance**

The Statement of Comprehensive Income for the year is set out on page 10. The Company's profit for the financial year of £17,000 (2014: profit of £306,000) has been transferred to reserves.

**Dividends**

No dividends have been paid or proposed in respect of the year ended 31 December 2015 (2014: nil).

**Financial risk management**

During 2015, the Group had in place a risk management programme that seeks to limit the adverse effects of these factors on the financial performance of the Group. These policies are also applicable to the Company. The financial risk management policies of the Group are disclosed in the annual report and consolidated financial statements of Subsea 7 S.A.

**Future developments**

The Directors have the intention to liquidate the Company on termination of the Operating Lease Arrangements and the preparation for the liquidation has already begun with the cessation of operations and transfer of balances held to fellow Group undertakings.

**Going concern**

It is the responsibility of the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. The Directors intend to commence the liquidation of the Company on termination of the Operating Lease Arrangements, which involves the transfer of operations and balances to other Group companies. A large proportion of the Company's receivable balances are with Group undertakings. An impairment review has been performed on these balances and no provision has been made. Due to the significant financial resources of the Group, the Directors consider the balances to be recoverable. In addition the Directors believe that should additional short-term or long-term funding be required, over and above that available within the Company, this would be made available from other Group Companies. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

**Directors' Report (continued)**  
**for the year ended 31 December 2015****Statement of Directors' responsibilities**

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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.


**Disclosure of information to auditor**

The Directors who were members of the Board at the time of approving the Directors' Report are listed on page 3. Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

**Independent auditor**

Ernst and Young LLP have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

**By order of the Board****Mark Foley****Director**

23 September 2016

## **Subsea 7 M.S. Limited**

### **Independent Auditor's report to the members of Subsea 7 M.S. Limited**

We have audited the financial statements of Subsea 7 M.S. Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 7, 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; 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.



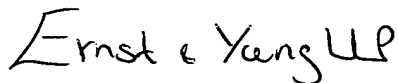
## Subsea 7 M.S. Limited

### Independent Auditor's report to the members of Subsea 7 M.S. Limited (continued)

#### 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



*Kevin Weston (Senior Statutory Auditor)*

*for and on behalf of Ernst & Young LLP, Statutory Auditor*

*Aberdeen*

*23 September 2016*

## Subsea 7 M.S. Limited

### Statement of Comprehensive Income for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Finance income		16	209
Other gains and losses		-	20
Administrative expenses		5	-
<b>Net Income before taxes</b>		<b>21</b>	<b>229</b>
Taxation	7	(4)	77
<b>Total comprehensive income</b>		<b>17</b>	<b>306</b>

The Profit for the current and previous year has been wholly derived from discontinued activities.

## Subsea 7 M.S. Limited

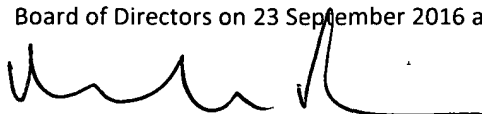
### Balance sheet

As at 31 December 2015

	Note	2015 £000	2014 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Interests in subsidiary undertakings	8	-	-
		-	-
<b>Current assets</b>			
Trade and other receivables	9	1,428	1,458
Cash and cash equivalents		69	69
<b>Total assets</b>		<b>1,497</b>	<b>1,527</b>
<b>Equity</b>			
Issued share capital	10	-	-
Retained earnings		1,493	1,476
<b>Equity attributable to shareholders</b>		<b>1,493</b>	<b>1,476</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other liabilities	11	-	6
Current tax liabilities		4	45
<b>Total liabilities</b>		<b>4</b>	<b>51</b>
<b>Total equity and liabilities</b>		<b>1,497</b>	<b>1,527</b>

The notes to these financial statements on pages 13 to 18 are an integral part of these financial statements.

The financial statements of Subsea 7 M.S. Limited, registered number 02074427, on pages 10 to 18 were approved by the Board of Directors on 23 September 2016 and were signed on its behalf by:



Mark Foley  
Director

## Subsea 7 M.S. Limited

### Statement of Changes in Equity for the year ended 31 December 2015

	Issued Share capital £000	Retained earnings £000	Total £000
Balance at 1 January 2015	-	1,476	1,476
Net income	-	17	17
Balance at 31 December 2015	-	1,493	1,493
Balance at 1 January 2014	-	1,170	1,170
Net income	-	306	306
Balance at 31 December 2014	-	1,476	1,476

## **Subsea 7 M.S. Limited**

### **Notes to the Financial Statements for the year ended 31 December 2015**

#### **1 General information**

The financial statements of Subsea 7 M.S. Limited for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 23 September 2016. The Company is a limited company incorporated and domiciled in the United Kingdom. The principal accounting policies adopted in the preparation of these financial statements are set out below.

#### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. Following amendments made to UK Company law, contained within 'The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 (SI 2015/980), the Company has chosen to adapt the formats of the balance sheet and income statement and has applied the relevant presentation requirements of IAS 1 'Presentation of Financial of financial statements'.

The financial statements are presented in United Kingdom Pounds Sterling (£) which is the Company's functional and presentation currency, being the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company transitioned from EU-adopted IFRS to FRS 101 for all periods presented. There were no material amendments on the adoption of FRS 101. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IAS 7 Statement of Cash Flows
- (b) the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- (c) the requirements of paragraph 17 of IAS 24 Related Party Disclosures.
- (d) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
- (e) The requirements of IFRS 7 'Financial Instruments: Disclosures'
- (f) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS1 'Presentation of Financial Statements'.

#### **Basis of consolidation**

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare Group accounts as it is a wholly owned subsidiary of Subsea 7 Senior Holdings (UK) Limited. The results of the Company are included in the consolidated financial statements of Subsea 7 SA which are available from 412F, route d'Esch L-2086 Luxembourg. The principal accounting policies adopted by the Company are set out in note 4.

#### **Going concern**

It is the responsibility of the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. The Directors intend to commence the liquidation of the Company on termination of the Operating Lease Arrangements, which involves the transfer of operations and balances to other Group companies. A large proportion of the Company's receivable balances are with Group undertakings. An impairment review has been performed on these balances and no provision has been made. Due to the significant financial resources of the Group, the Directors consider the balances to be recoverable. In addition the Directors believe that should additional short-term or long-term funding be required, over and above that available within the Company, this would be made available from other Group Companies. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

## Subsea 7 M.S. Limited

### Notes to the Financial Statements (continued) for the year ended 31 December 2015

#### 2 Adoption of new accounting standards

No new or amended International Financial Reporting Standards (IFRSs) and interpretations have been adopted by the Company for the financial year beginning 1 January 2015.

#### 3 Judgement and key sources of estimation uncertainty

##### *Carrying value of interests in subsidiary undertakings*

Interests in subsidiary undertakings are reviewed at least annually to assess whether there is objective evidence to indicate that the carrying value of interests in subsidiary undertakings are impaired. The impairment review is based on the higher of value-in-use or fair value less cost of disposal. Costs of disposal are included where a reliable estimate can be made.

Fair value is based on the Company's net assets and incorporates adjustments to reflect the fair market value of vessels as determined by an independent third party valuation. Other fair value adjustments to assets and liabilities are made where appropriate.

Value-in-use has been derived from a discounted cash flow model which requires an estimate of future net operating cash flows and future growth rates. Growth rates used are consistent with market expectations for the Company's business. The discount rate applied has been estimated based on the weighted average cost of capital of the Company.

##### *Carrying value of loans and receivables*

Loans and receivables are reviewed at least annually for objective evidence to indicate that the carrying values of receivables are impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or default or significantly delay payments are considered to be objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recognised. In determining this management reviews historical experience, recent and expected future financial performance and financial position. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly.

#### 4 Significant accounting policies

##### **Leasing**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date, whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use an asset. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are aggregated and recognised on a straight-line basis over the lease term. Benefits received and receivable as an incentive to enter into an operating lease are recognised on the same basis as the related lease.

Improvements to leased assets are expensed in the Statement of Comprehensive Income unless they significantly increase the value of the leased asset, under which circumstance this expenditure will be capitalised and subsequently recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term applicable to the leased asset.

## Subsea 7 M.S. Limited

### Notes to the Financial Statements (continued) for the year ended 31 December 2015

#### 4 Significant accounting policies (continued)

##### Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

The main exchange rates used throughout the Company at the balance sheet date, compared to the United Kingdom Sterling, were as follows:

USD 1.48  
EUR 1.35  
NOK 12.93

##### Dividends

Dividends are measured at the fair value of consideration received or receivable. Dividends are recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

##### Finance Income

Finance income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Finance income is accrued by reference to the principal outstanding and the interest rate applicable.

##### Taxation

###### *Income taxes*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

##### Interests in subsidiary undertakings

Subsidiary undertakings are those entities in which the Company has power to exercise control over operations. Control is assumed to exist where the Company is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Interests in subsidiary undertakings are stated at cost less provisions for impairment. The carrying value of interests is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

##### Financial instruments

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. The classification depends on the nature and purpose of the financial assets and liabilities which is determined at the time of initial recognition.

##### Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank.

##### Trade and other receivables

The Company assesses at each balance sheet date whether any indications exist that a financial asset or group of financial assets is impaired.

In relation to trade receivables, a provision for impairment is made when there is objective evidence that the Company may not be able to collect all of the amounts due. Impaired trade receivables are derecognised when they are assessed as uncollectible.

Loans receivable and other receivables are carried at amortised cost using the effective interest rate method. Interest income, together with gains and losses when the loans and receivables are derecognised or impaired, is recognised in the Statement of Comprehensive Income.

## Subsea 7 M.S. Limited

### Notes to the Financial Statements (continued) for the year ended 31 December 2015

#### 5 Auditors remuneration

During the year, fees payable to the Company's auditors for the audit of the Company's annual accounts was £4,790 (2014: £2,886). This amount was borne by another Group company.

During the year, fees payable to the Company's auditors for the audit of the annual accounts of the Company's subsidiary undertakings was £4,790 (2014: £4,490). This amount was borne by another Group company.

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated financial statements of the ultimate parent Subsea 7 S.A.

#### 6 Directors' remuneration

The Directors of the Company are employed by, and receive remuneration from fellow subsidiary undertakings.

#### 7 Taxation

<b>Tax charged in the Statement of Comprehensive Income is disclosed as follows:</b>	<b>2015 £000</b>	<b>2014 £000</b>
<b>Current tax:</b>		
UK corporation tax	4	45
<b>Current tax</b>		
Amounts (over) provided in previous years	-	(122)
<b>Taxation expense / (credit) reported in the Statement of Comprehensive Income</b>	<b>4</b>	<b>(77)</b>

The tax on the Company's profit before taxation does not differ from the theoretical amount (2014: differs).

	<b>2015 £000</b>	<b>2014 £000</b>
Accounting profit before taxation	21	229
Tax on profit on ordinary activities at the standard UK rate of 20% (2014: 21 %)	4	49
<b>Effects of :</b>		
Income not taxable for tax purposes	-	(4)
Tax (over) provided in previous years	-	(122)
<b>Taxation expense / (credit) reported in the Statement of Comprehensive Income</b>	<b>4</b>	<b>(77)</b>

#### Change in Corporation Tax rate

The UK Corporation tax rate was reduced from 21% to 20% effective 1 April 2015, to be followed by a further reduction to 19% to be effective 1 April 2017.

#### 8 Interests in subsidiary undertakings

Interests comprise equity shares in a number of subsidiaries entities, none of which are publically traded.

	<b>2015 £</b>	<b>2014 £</b>
Interest in subsidiary undertakings	1	1



## Subsea 7 M.S. Limited

### Notes to the Financial Statements (continued) for the year ended 31 December 2015

#### 8 Interests in subsidiary undertakings (continued)

The direct subsidiaries, joint ventures and associates of the Company at 31 December 2015 were as follows:

Company name	Classification	Holding	Ownership %	Nature of the Business	Place of incorporation
Thames International Enterprise Limited England	Subsidiary	Ordinary shares	100%	Management services	England

#### 9 Trade and other receivables

	2015 £000	2014 £000
Amounts due from Group undertakings	1,428	1,458

Amounts due from Group undertakings include amounts due from subsidiaries and other companies forming part of the Subsea S.A. Group. Amounts due from Group Undertakings that are party to the centralised Working Capital Agreement are unsecured, earn interest at a rate of 1% per annum, have no fixed date of repayment and are repayable on demand.

#### 10 Issued share capital

The Company's allotted, called up and fully paid share capital is as follows:

	2015 £
<i>Allotted, called up and fully paid</i>	
Ordinary shares of £1 each	100
	2015 No.
<i>Allotted, called up and fully paid</i>	
Ordinary shares of £1 each	
At 1 January	100
At 31 December 2015	100

#### 11 Trade and other liabilities

	2015 £000	2014 £000
Audit fee accrual	-	6

#### 12 Operating lease arrangements

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2015 £000	2014 £000
Commitments under non-cancellable operating leases expiring:		
Later than one year and no later than five years	987	1,550

The Company is the tenant under the rental lease agreement for the premises at 200 Hammersmith Road, London, W6 7DL. This means that the Company is liable, as tenant, under the lease agreement, including for all amounts of rent due to the landlord. Whilst the Company is liable for these costs, they are borne by another Group entity.

## **Subsea 7 M.S. Limited**

### **Notes to the Financial Statements (continued) for the year ended 31 December 2015**

#### **13 Ultimate and immediate parent undertaking and controlling party**

The immediate parent undertaking of the Company is Subsea 7 Senior Holdings (UK) Limited, a Company registered in England.

The Company's ultimate parent undertaking and controlling party at 31 December 2015 is Subsea 7 S.A. The largest (and smallest) group which includes these financial statements in their consolidation is the Subsea 7 S.A. group. The consolidated financial statements of Subsea 7 S.A. can be obtained from the address below or at [www.subsea7.com](http://www.subsea7.com).

412F route d'Esch  
L-2086  
Luxembourg