

COMPANY REGISTRATION NUMBER 03177228



**PGS RESERVOIR LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

TUESDAY



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**PGS RESERVOIR LIMITED  
REPORT AND FINANCIAL STATEMENTS  
PERIOD ENDED 31 DECEMBER 2019**

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**PGS RESERVOIR LIMITED  
REPORT AND FINANCIAL STATEMENTS  
COMPANY INFORMATION**

**Directors** C Steen-Nilsen  
G Langseth  
R Pedersen

**Registered office** 4, The Heights  
Brooklands  
Weybridge  
Surrey  
KT13 0NY

**Registered number** 03177228

## **PGS RESERVOIR LIMITED STRATEGIC REPORT**

The directors present their Strategic Report for the year ended 31 December 2019.

### **Principal activities**

The principal activity of the company was the provision of consulting services to the oil and gas industry.

The company is a member of the PGS Group ("the group"), a Norwegian registered oil services group providing geophysical services worldwide. The group provides a broad range of geophysical and reservoir services, including seismic data acquisition, processing, interpretation and field evaluation. It also possesses a substantial international MultiClient seismic data library.

### **Business review and future developments**

The profit for the year after taxation is \$794,000 (2018: loss of \$41,000). The directors paid dividends of \$6,281,818 in September 2020 (2018: \$nil).

As the company is not expected to trade going forward, and it is the directors' intention to wind up the company within the next year, these financial statements have been prepared on a basis other than going concern

### **Principal risks and uncertainties of the company**

There are no longer any principal risks and uncertainties associated with this company as it has ceased to trade.

Signed on behalf of the Board by:



C Steen-Nilsen  
Director

11 February 2021

**PGS RESERVOIR LIMITED  
DIRECTORS REPORT**

The directors present their Report and audited financial statements for the period from 1 January 2019 to 31 December 2019.

**Business review**

The company had limited activity in the year ended 31 December 2019 and the directors are taking steps to close the company.

**Results and dividends**

The profit for the year after taxation is \$794,000 (2018: loss of \$41,000). The directors paid dividends of \$6,281,818 in September 2020 (2018: \$nil).

**Directors of the company**

The directors who held office during the year were as follows:

C Steen-Nilsen

G Langseth

R Pedersen

**Indemnification of directors**

In accordance with the articles of association, the directors have the benefit of indemnity provisions. In addition the PGS Group maintains a directors' and officers' liability insurance policy throughout the financial year, and up to the date of approval of the financial statements.


**Charitable and political donations**

The company made no political or charitable donations during the year ended 31 December 2019 (2018: \$nil).

**Going concern**

The financial statements have been prepared on a basis other than going concern which does not materially differ from the going concern basis.

Signed on behalf of the Board by:



C Steen-Nilsen  
Director

11 February 2021

## **PGS RESERVOIR LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 apply them consistently;
- make judgements and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As stated in the 'Directors' report and in 'Note 3', the financial statements have been prepared on a basis other than going concern.

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.

**PGS RESERVOIR LIMITED**  
**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**  
**YEAR ENDED DECEMBER 2019**

	Note	2019 \$ 000	2018 \$ 000
Revenue		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Administrative expenses		61	(42)
<b>Operating profit/(loss)</b>	<b>5</b>	<b>61</b>	<b>(42)</b>
Other non-operating income	7	732	-
Interest receivable	8	1	1
<b>Profit/(loss) before taxation</b>		<b>794</b>	<b>(41)</b>
Taxation	9	-	-
<b>Profit/(loss) for the year</b>		<b>794</b>	<b>(41)</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss)</b>		<b>794</b>	<b>(41)</b>

The notes on pages 8 to 12 form an integral part of these financial statements

**PGS RESERVOIR LIMITED**  
**BALANCE SHEET**  
**31 DECEMBER 2019**

	Note	2019 \$ 000	2018 \$ 000
<b>Current assets</b>			
Debtors	10	6,282	5,517
Cash at bank and in hand		-	167
		<u>6,282</u>	<u>5,684</u>
 Creditors: Amounts falling due within one year	11	-	(196)
		<u>-</u>	<u>(196)</u>
 <b>Net assets</b>		<u>6,282</u>	<u>5,488</u>
 <b>Capital and reserves</b>			
Called up share capital	12	14,810	14,810
Profit and loss account		<u>(8,528)</u>	<u>(9,322)</u>
 <b>Shareholders' funds</b>		<u>6,282</u>	<u>5,488</u>

These financial statements were approved by the Board on 11 February 2021, and signed on its behalf by:



C Steen-Nilsen  
Director

Registered number: 03177228

The notes on pages 8 to 12 form an integral part of these financial statements



**PGS RESERVOIR LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2019**

	Share capital \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2019	14,810	(9,322)	5,488
Profit for the year	-	794	794
Other comprehensive income	-	-	-
Total comprehensive profit	-	794	794
<b>At 31 December 2019</b>	<b>14,810</b>	<b>(8,528)</b>	<b>6,282</b>

	Share capital \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2018 (restated)	14,810	(9,281)	5,529
Loss for the year	-	(41)	(41)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(41)	(41)
<b>At 31 December 2018</b>	<b>14,810</b>	<b>(9,322)</b>	<b>5,488</b>

The notes on pages 8 to 12 form an integral part of these financial statements

## **PGS RESERVOIR LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1 General information**

PGS Reservoir Limited provided consulting services to the oil and gas industry, but no longer trades. The company is a private company and is incorporated and domiciled in England and Wales. The address of its registered office is 4, The Heights, Brooklands, Weybridge, Surrey KT13 0NY.

#### **2 Authorisation of financial statements and statement of compliance with FRS 101**

The financial statements of PGS Reservoir Limited (the "company") for the year ended 31 December 2019 were authorised for issue by the board of directors on 11 February 2021 and the Balance Sheet was signed on the board's behalf by C Steen-Nilsen.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and in accordance with applicable accounting standards. The company's financial statements are presented in US dollars as this is the currency in which the company operates.

#### **3 Accounting policies**

The following accounting policies have been consistently applied in deciding the items which are considered material in relation to the financial statements.

##### **Basis of preparation**

The company has been determined to meet the criteria of a 'qualifying entity' under the definition in FRS 101. The financial statements in which the company is consolidated are available from the ultimate parent company as detailed in note 14.

As explained below, these accounts have been prepared on a basis other than going concern. No adjustments were necessary to the remaining liabilities and shareholders' funds included in these financial statements resulting from this.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2019.

##### **Summary of disclosure exemptions**

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment, because the share based payment arrangement concerns the instruments of another group entity;
- the requirements of IFRS 7 Financial Instruments: Disclosures,
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement,
- 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;
  - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - (iii) paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

**PGS RESERVOIR LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**3 Accounting policies (continued)**

**Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the USD exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into USD at the rates prevailing on the reporting period date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of realised and unrealised monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**Going Concern**

No further activity is expected in the company and the directors expect to begin winding up the company. The financial statements have therefore been prepared on a basis other than going concern, with does not materially differ from the going concern basis.

**Taxation**

Income tax expense is comprised of current and deferred tax. Income tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items taken directly to the Statement of Other Comprehensive Income.

Current tax is the tax expected to be paid to or recovered from taxation authorities in respect of taxable income for the year, using tax rates enacted or substantially enacted during the period.

Deferred tax assets and liabilities are measured using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. The amount of deferred tax provided is based on tax rates that are expected to apply in the year of realisation or settlement, using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not recognized on temporary differences arising from the initial recognition of goodwill, or relating to investments in subsidiaries to the extent that the temporary difference can be controlled by the Company and will probably not reverse in the foreseeable future.

Deferred tax assets are recognized only when, on the basis of all available evidence, it can be regarded as probable that there will be sufficient taxable profits in the foreseeable future against which the asset can be utilized.

Deferred tax assets and deferred tax liabilities are offset when a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred taxes are related to the same taxable entity and the same taxation authority. Deferred tax assets and liabilities are classified as long-term in the Balance Sheet.

**Financial assets and liabilities**

Financial assets and financial liabilities are recognised when the company becomes party to the contractual obligations of the relevant instrument. The company classifies its financial instruments in the following categories: at fair value through profit and loss, at fair value through Other Comprehensive Income or at amortized cost. The company determines the classification of financial instruments at initial recognition.

***Financial instruments at fair value through profit and loss***

This category comprises financial assets and liabilities held for trading, including all derivative instruments. Financial instruments in this category are initially recorded at fair value, and transaction costs are expensed in the Statement of Profit and Loss. Realised and unrealised gains and losses arising from changes in the fair value are included in the Statement of Profit and Loss in the period in which they arise.

**PGS RESERVOIR LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**3 Accounting policies (continued)**

*Financial instruments at fair value through other comprehensive income*

On initial recognition, an election can be made to classify investments in equity instruments at fair value through Other Comprehensive Income. Financial instruments in this category are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognised in Other Comprehensive Income.

*Financial instruments at amortized cost*

Financial assets and liabilities in this category are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method less any allowance for impairment. This category includes accounts receivable, accounts payable and loans and other borrowings.

*Impairment of financial assets*

At each reporting date, the company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses. For accounts receivables and contract assets, the company uses a simplified approach in calculating expected credit losses. The company recognises a loss allowance using factors including aging of accounts, historical experience, customer concentration, customer creditworthiness and current industry and economic trends. An impairment loss, amounting to any difference between the carrying amount of the loss allowance and the expected credit losses at the reporting date, is recognized in the Statement of Profit and Loss.

**4 Critical accounting judgements, estimates and assumptions**

As the company no longer trades, there are no estimates, assumptions and judgments that affect the reported amounts of assets and liabilities.

**5 Operating profit/(loss)**

Arrived at after charging/(crediting):

	2019 \$ 000	2018 \$ 000
Foreign exchange (gains)/losses	(67)	16
Auditor's remuneration		
- Audit of the financial statements	-	6

**6 Directors' remuneration**

None of the directors received any fees or remunerations for services as a director of the company during the financial year (2018: Nil).

The remuneration of the directors is paid by the ultimate parent company, which makes no recharges to the company. The directors act in a group capacity only and do not allocate specific time to the company and therefore it is not possible to make an accurate apportionment of their emoluments in respect of the company.

**7 Other non-operating income**

During 2019, a total of \$732,000 intercompany debtor balance with PGS Investigacao Petrolifera Ltda and PGS Suporte Logistico e Servicos Ltda that were previously written off, in 2016, were recovered through PGS ASA.

**PGS RESERVOIR LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**8 Interest receivable**

	<b>2019</b>	<b>2018</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Interest receivable on group loans	<u>1</u>	<u>1</u>

**9 Taxation**

**There is no tax charge / credit on the loss for the year (2018 – nil)**

**Factors affecting current tax (credit)/charge**

The tax on the loss for the year differs from the standard rate of corporation tax in the UK of 19% (2018 – 19%).  
The differences are reconciled below:

	<b>2019</b>	<b>2018</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Profit before tax	<u>794</u>	<u>(41)</u>
Corporation tax at standard rate	151	(8)
Group relief on brought forward tax losses	(104)	-
Group relief surrendered for nil consideration	(47)	-
Expenses not deductible for tax purposes	<u>-</u>	<u>8</u>
<b>Total tax (credit)</b>	<u>-</u>	<u>-</u>

**10 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Trade debtors	-	32
Amounts receivable from ultimate parent undertaking	5,926	5,064
Amounts receivable from group undertakings	326	308
Other debtors	<u>-</u>	<u>113</u>
	<u>6,282</u>	<u>5,517</u>

Amounts owed by the ultimate parent undertaking, PGS ASA, are repayable on demand and unsecured, and bear interest at 3-month LIBOR plus 3% per annum.

Amounts receivable from other group undertakings are treated as trading balances and do not bear any interest.

**PGS RESERVOIR LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**11 Creditors**

	2019 \$ 000	2018 \$ 000
Trade creditors	-	3
Amounts owed to other group undertakings	-	193
	-	196

Amounts owed by the immediate parent undertaking and other group undertakings are treated as trading balances and do not bear interest.

**12 Share capital**

**Allotted, called up and fully paid shares**

	31 December 2019		31 December 2018	
	No.	\$ 000	No.	\$ 000
Ordinary shares of £1 each	7,701,000	14,810	7,701,000	14,810

All of the shares were owned by the immediate parent company, Petroleum Geo-Services (UK) Limited.

On 14 July 2020, as part of steps taken to close the company, the share capital of the company was reduced from 7,701,000 ordinary shares of £1.00 each to one ordinary share of £1.00 by cancelling and extinguishing 7,700,999 of the ordinary shares and crediting the corresponding amount to reserves.

**13 Foreign exchange**

The financial statements are presented in US Dollars. The exchange rate at 31 December 2019 applied was 1.3144 USD to 1.0 GBP.

**14 Related party transactions**

As a wholly owned subsidiary of PGS ASA the company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with other wholly owned group companies. There were no other related party transactions.

**15 Ultimate parent undertaking**

The company's immediate parent undertaking is Petroleum Geo-Services (UK) Limited, a company incorporated in the United Kingdom. The ultimate parent and controlling party is PGS ASA, a company registered in Norway.

The smallest and largest group in which the results of the company are consolidated is that headed by PGS ASA. These financial statements are available upon request from PGS ASA, Lilleakerveien 4C, P.O. Box 251 Lilleaker, 0216 Oslo, Norway.