



# **Petrofac UK Holdings Limited**

## **Report and Financial Statements**

31 December 2016

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# **Petrofac UK Holdings Limited**

Registered No: 4597286

## **Directors**

A Asfari  
A Cochran

## **Secretary**

A Broughton

## **Auditors**

Ernst & Young LLP  
Blenheim House  
Fountainhall Road  
Aberdeen  
AB15 4DT

## **Bankers**

Royal Bank of Scotland plc  
Queens Cross Branch  
40 Albyn Place  
Aberdeen  
AB10 1YN

## **Solicitors**

Freshfields, Bruckhaus, Deringer LLP  
65 Fleet Street  
London  
EC4Y 1HS

## **Registered office**

4<sup>th</sup> Floor  
117 Jermyn Street  
London  
SW1Y 6HH

# Petrofac UK Holdings Limited

Registered No: 4597286

## Strategic report

The directors present their strategic report for the year ended 31 December 2016.

### Principal activities and review of the business

The principal activity of the Company is to act as a holding company and to facilitate Group financing arrangements.

The Company's subsidiaries and their activities are listed in note 10 to the financial statements.

Investments increased by £55,642,000 during the year with specific additions detailed in note 10.

The Company disposed of investments with cost of £115,904,000 and accumulated impairments of £112,586,000 during the year with specific disposals detailed in note 10.

During the year, investments were impaired by £103,551,000 with specific impairments detailed in note 10.

Petrofac UK Holdings Limited is a non-trading holding company and, therefore, there are no Key Performance Indicators to be monitored on a regular basis.

### Future developments

The directors do not anticipate any significant changes to the activities of the Company in the next 12 months.

On behalf of the board



A Cochran

Director

27 September 2017

# Petrofac UK Holdings Limited

Registered No: 4597286

## Directors' report

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

### Results and dividends

The loss for the year, after taxation, amounted to £102,503,000 (2015 – £162,906,000). The Company has not paid a dividend in respect of the year ended 31 December 2016 (2015 - £nil).

### Directors

The directors at 31 December 2016 and who served during the year were as follows:

A Asfari

A Cochran (Appointed 4 October 2016)

T Weller (Resigned 4 October 2016)

### Going concern

The financial statements have been prepared under the going concern basis. The directors believe this basis to be appropriate as the parent company has provided the Company with an undertaking that for at least a year from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company to allow it to continue in operational existence and to meet its liabilities as they fall due for payment. It has further undertaken that it will act to ensure that repayment is not sought for at least a year from the date of signature of these financial statements of the amounts currently made available to the Company by the parent company.

As with any company placing reliance on other Group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, that have no reason to believe that it will not do so. Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

During the year, 55,000,000 ordinary shares with an aggregate nominal value of £55,000,000 were allotted for cash at £1 each to Petrofac Limited.

### Disclosure of information to the auditors

The directors who were members of the board at the time of approving the directors' report are noted above. 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.

### Auditors

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Ernst & Young LLP as auditor of the Company.

On behalf of the board



A Cochran  
Director

27 September 2017

## **Directors' responsibilities statement**

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 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 for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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.

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 to 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.

# Independent auditors' report

## to the members of Petrofac UK Holdings Limited

We have audited the financial statements of Petrofac UK Holdings Limited for the year ended 31 December 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 14. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 Report and Financial Statements 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 implication for our report.

### Opinion on the 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 2016 and of its loss 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.

*Ernst & Young LLP*

Moirra Ann Lawrence (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Aberdeen

27 September 2017

Petrofac UK Holdings Limited

## Income statement

For the year ended 31 December 2016

		2016	2015
	Notes	£000	£000
<b>Turnover</b>		-	-
Cost of sales		-	-
<b>Gross Profit</b>		-	-
Administrative expenses		(114)	(7,414)
<b>Operating loss</b>	3	(114)	(7,414)
Dividend receivable	6	1,736	-
Interest payable	7	-	(107)
Exceptional items	8	(594)	-
Amounts written off investments	10	(103,550)	(155,407)
<b>Loss on ordinary activities before taxation</b>		(102,522)	(162,928)
Tax credit on loss on ordinary activities	9	19	22
<b>Loss for the financial year</b>		(102,503)	(162,906)

All activities relate to continuing operations.

## Statement of comprehensive income

For the year ended 31 December 2016

	2016	2015
	£000	£000
<b>Loss for the financial year</b>	(102,503)	(162,906)
<b>Total comprehensive loss for the year</b>	(102,503)	(162,906)

## Statement of changes in equity

For the year ended 31 December 2016

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total Equity £000</i>
At 1 January 2015	88,000	(147,350)	(59,350)
Issue of share capital	300,000	-	300,000
Loss for the financial year	-	(162,906)	(162,906)
At 31 December 2015	<u>388,000</u>	<u>(310,256)</u>	<u>77,744</u>
Issue of share capital	55,000	-	55,000
Loss for the financial year	-	(102,503)	(102,503)
At 31 December 2016	<u>443,000</u>	<u>(412,759)</u>	<u>30,241</u>




Petrofac UK Holdings Limited

**Statement of financial position**  
at 31 December 2016

	Notes	2016 £000	2015 £000
<b>Fixed assets</b>			
Investments	10	155,562	206,788
		<u>155,562</u>	<u>206,788</u>
<b>Current assets</b>			
Trade and other receivables	11	1,748	66
Cash at bank		2,716	-
		<u>4,464</u>	<u>66</u>
<b>Creditors: amounts falling due within one year</b>			
Trade and other payables	12	129,785	129,110
<b>Net current liabilities</b>		<u>(125,321)</u>	<u>(129,044)</u>
<b>Net assets</b>		<u>30,241</u>	<u>77,744</u>
<b>Capital and reserves</b>			
Share capital	13	443,000	388,000
Profit and loss account		(412,759)	(310,256)
<b>Total shareholder's equity</b>		<u>30,241</u>	<u>77,744</u>

The financial statements were approved for issue by the board on 27 September 2017.

  
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A Cochran  
Director

## Notes to the financial statements

at 31 December 2016

### 1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Petrofac UK Holdings Limited (the “Company”) for the year ended 31 December 2016 were authorised for issue by the board of directors on 27 September 2017 and the statement of financial position was signed on the board’s behalf by Alastair Cochran. Petrofac UK Holdings Limited is incorporated and domiciled in the United Kingdom.

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 Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

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 Petrofac Limited.

The principal accounting policies adopted by the Company are as set out in note 2.

### 2. Accounting policies

#### 2.1 Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2016.

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

- The requirements of paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement* provided that equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated.
- The requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 *Property, Plant and Equipment*;
  - paragraph 118(e) of IAS 38 *Intangible Assets*;
  - paragraphs 76 and 79(d) of IAS 40 *Investment Property*; and
  - paragraph 50 of IAS 41 *Agriculture*.
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 *Presentation of Financial Statements*.
- The requirements of IAS 7 *Statement of Cash Flows*.
- The requirements of IFRS 7 *Financial Instruments: Disclosures*, provided that equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated.
- The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.
- The requirements of paragraph 17 and 18(a) of IAS 24 *Related Party Disclosures*

## Notes to the financial statements

at 31 December 2016

### 2. Accounting policies (continued)

#### 2.1 Basis of preparation (continued)

- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of Assets*, provided that equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated.

#### 2.2 Significant Accounting Policies

##### **Foreign currency translation**

The Company's financial statements are presented in Sterling, which is also the Company's functional currency. Sterling is the currency of the primary economic environment in which the entity operates.

##### **Transactions and balances**

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

##### **Investments**

Investments in subsidiaries, associates and joint ventures are held at historical cost less any applicable provision for impairment.

##### **Income Taxes**

Income tax expense represents the sum of the current income tax and deferred tax.

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.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legal enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

## Notes to the financial statements

at 31 December 2016

### 2. Accounting policies (continued)

#### 2.2 Significant Accounting Policies (continued)

##### *Income Taxes (continued)*

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

##### *Trade and other receivables*

Trade receivables are recognised and carried at original invoice amount less an allowance for any amounts estimated to be uncollectable. An estimate for doubtful debts is made when there is objective evidence that the collection of the full amount is no longer probable under the terms of the original invoice. Impaired debts are derecognised when they are assessed as uncollectable.

##### *Financial Assets*

###### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

###### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Available-for-sale financial assets

###### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value reported in the consolidated income statement.

The fair value changes to undesignated forward currency contracts are reported within other operating income/expenses.

###### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. This category generally applies to trade and other receivables.

## Notes to the financial statements

at 31 December 2016

### 2. Accounting policies (continued)

#### 2.2 Significant Accounting Policies (continued)

##### **Financial Liabilities**

###### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

###### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial liabilities at fair value through profit or loss
- Loans and borrowings

###### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. No liabilities have been designated at fair value through profit or loss.

###### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

###### **Exceptional items**

The Company presents as exceptional items those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

## Notes to the financial statements

at 31 December 2016

### 3. Operating loss

This is stated after charging / (crediting):

	2016 £000	2015 £000
Net gain on foreign currency translation	(61)	(19)
Provision against irrecoverable intercompany balances	-	7,383

### 4. Auditors remuneration

The Company paid the following amounts to its auditors in respect of the financial statements and for other services provided to the Company.

	2016 £000	2015 £000
Audit of the financial statements	12	12

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the Group accounts of its parent Petrofac Limited.

### 5. Directors' remuneration

The Company directors are also directors of the parent company and some fellow subsidiary companies. The directors' remuneration was paid by Petrofac Services Limited, a wholly owned subsidiary of Petrofac Limited. The directors do not believe that it is practicable to apportion their remuneration between their services as directors of this company and their services as directors of the parent and fellow subsidiary companies.

### 6. Dividend receivable

	2016 £000	2015 £000
Dividend income	1,736	-

### 7. Interest payable

	2016 £000	2015 £000
Interest on bank loans and overdrafts	-	107

### 8. Exceptional items

	2016 £000	2015 £000
Recognised in exceptional items:		
Non- recurring losses	594	-
	594	-

In the year, a loss on disposal of £594,000 was recognised with regard to the disposal of investments in Petrofac Solutions and Facilities Support SRL, having formally exited the Ticleni PEC with the sale of our Romanian entity.

## Notes to the financial statements

at 31 December 2016

### 9. Taxation

(a) Tax credit in the income statement

	2016	2015
	£000	£000
<i>Current Income Tax:</i>		
UK corporation tax	-	(25)
Amounts under provided in previous years	-	3
Group relief receivable	(19)	-
Total current income tax credit	<u>(19)</u>	<u>(22)</u>

(b) There are no tax related items charged or credited to other comprehensive income.

(c) Reconciliation of the total tax credit

The tax credit in the income statement for the year differs from the standard rate of corporation tax in the UK of 20% (2015: 20.25%) The differences are reconciled below:

	2016	2015
	£000	£000
Loss on ordinary activities before taxation	<u>(102,522)</u>	<u>(162,928)</u>
Tax calculated at UK standard rate of corporation tax of 20% (2015: 20.25%)	(20,504)	(32,987)
Expenses not deductible for tax purposes	20,485	32,962
Change in tax laws and rate	-	3
Total tax credit reported in the income statement	<u>(19)</u>	<u>(22)</u>

(d) Change in Corporation Tax rate

The standard rate of corporation tax in the UK remains at 20% for 2016. As announced in the Summer 2015 UK Budget, the main rate of corporation tax will reduce to 19%, effective from 1 April 2017, and 18%, effective from 1 April 2020. The 2016 UK Budget subsequently introduced a further 1% reduction, to 17%, effective from 1 April 2020.

The change in the UK rate to 19% does not create an adjustment in the current year because the 18% rate was substantively enacted in the prior year and hence all brought forward assets are recognised at that rate.

The further 1% reduction in the UK rate, to 17%, was substantively enacted prior to the reporting date and therefore the impact of the change is reflected within the current year charge.

## Notes to the financial statements

at 31 December 2016

### 10. Investments

#### (a) Subsidiary undertakings

		2016 £000
<i>Cost:</i>		
At 1 January 2016		515,953
Additions	10(b)	55,642
Disposals	10(c)	(115,904)
At 31 December 2016		<u>455,691</u>
<i>Amounts provided:</i>		
At 1 January 2016		(309,165)
Provision for impairment	10(d)	(103,550)
Impairment on disposal	10(c)	112,586
At 31 December 2016		<u>(300,129)</u>
Net book value at 31 December 2016		<u>155,562</u>
Net book value at 1 January 2016		<u>206,788</u>

In accordance with IAS 36 - *Impairment of Assets*, the carrying values of investments are assessed for any indicators of impairment at the end of each reporting period to ensure they are not carried at more than their recoverable amount.

The recoverable amount has been derived from discounted cash flow projections using a pre-tax discount rate of 11.6%. Cash flows have been projected over ten years based on management's most recent business forecast. After that a steady growth rate of 2.5% has been assumed

The Company has investments in the following subsidiary undertakings:

<i>Name of company</i>	<i>Description of shares held</i>	<i>Country of Incorporation</i>	<i>Holding</i>	<i>Principal activity</i>
Petrofac Facilities Management Group Limited <sup>1</sup>	Ordinary £3 shares	United Kingdom	100%	Holding company
Eclipse Petroleum Technology Limited <sup>1</sup>	Ordinary 10p shares	United Kingdom	100%	Petroleum engineering consultancy
Caltec Limited <sup>1</sup>	Ordinary £1 shares Series A £1 convertible preference shares	United Kingdom	100%	Design, development and supply of equipment for improving production from oil and gas wells.
Petrofac Engineering Limited <sup>1</sup>	Ordinary £1 shares	United Kingdom	100%	Engineering services



## Notes to the financial statements

at 31 December 2016

### 10. Investments (continued)

#### (a) Subsidiary undertakings (continued)

<i>Name of company</i>	<i>Description of shares held</i>	<i>Country of Incorporation</i>	<i>Holding</i>	<i>Principal activity</i>
Petrofac Facilities Management Limited <sup>2</sup>	Ordinary £1 shares Deferred £1 shares	United Kingdom	100%	Operations maintenance and engineering services
Petrofac Norge AS <sup>1</sup>	Ordinary NOK 100 shares	Norway	100%	Services in connection with the exploitation of oil and gas
Atlantic Resourcing Limited <sup>2</sup>	Ordinary £1 shares	United Kingdom	100%	Supply of skilled personnel to the oil and gas industry
Plant Asset Management Limited <sup>2</sup>	Ordinary £1 shares	United Kingdom	100%	Dormant
Petrofac Training Holdings Limited <sup>1</sup>	Ordinary 10p 'A' shares	United Kingdom	100%	Holding company
Petrofac Training Limited <sup>6</sup>	Ordinary £1 shares	United Kingdom	100%	Training services
Scotvalve Services Limited <sup>3</sup>	Ordinary £1 shares	United Kingdom	100%	Supply of specialist engineering services to the oil and gas industry
Stephen Gillespie Consultants Limited <sup>3</sup>	Ordinary £0.01 shares	United Kingdom	100%	Provision of computer control systems for fiscal metering for the oil and gas industry
Oilennium Limited <sup>1</sup>	Ordinary £1 shares	United Kingdom	100%	Provision of e-learning training courses to the oil and gas industry
K W Limited <sup>1</sup>	Ordinary £1 shares	United Kingdom	100%	Provision of subsea engineering and consultancy to the oil and gas industry

# Petrofac UK Holdings Limited

## Notes to the financial statements

at 31 December 2016

### 10. Investments (continued)

#### (a) Subsidiary undertakings (continued)

<i>Name of company</i>	<i>Description of shares held</i>	<i>Country of Incorporation</i>	<i>Holding</i>	<i>Principal activity</i>
Petrofac Contracting Limited <sup>1</sup>	Ordinary £1 shares	United Kingdom	100%	Consulting/FEED Engineering Services Project Management in Kazakhstan
Petrofac Training Group Limited <sup>5</sup>	Ordinary £1 shares	United Kingdom	100%	Dormant
Rubicon Response Limited <sup>6</sup>	£0.25 Ordinary shares	United Kingdom	100%	Dormant
Petrofac Training Inc <sup>6</sup>	US\$0.01 common shares	United States	100%	Training services
Petrofac Training (Trinidad) Limited <sup>6</sup>	Ordinary shares	Trinidad and Tobago	100%	Dormant
K W Norge A.S <sup>4</sup>	Ordinary NOK1.00 shares	Norway	100%	Dormant
Petrofac Deutschland GmbH <sup>3</sup>	1 euro ordinary shares	Germany	100%	Operation, management and construction of all forms of renewable energy facilities
Joint Venture International Limited <sup>3</sup>	Ordinary £2 shares	United Kingdom	100%	Dormant
iPerform Limited <sup>3</sup>	Ordinary £2 shares	United Kingdom	100%	Dormant
Costain Petrofac Limited <sup>3</sup>	Ordinary £1 shares – B	United Kingdom	50%	Supply engineering and construction services to the Morecambe Bay gas fields
MJVI Shn Bhd <sup>3</sup>	A BND1.00 shares	Brunei	50%	Dormant
Petrohealth Limited <sup>3</sup>	Ordinary £1 shares	United Kingdom	100%	Dormant

## Notes to the financial statements

at 31 December 2016

### 10. Investments (continued)

#### (a) Subsidiary undertakings (continued)

- <sup>1</sup> held directly by Petrofac UK Holdings Limited
- <sup>2</sup> held by Petrofac Facilities Management Group Limited
- <sup>3</sup> held by Petrofac Facilities Management Limited
- <sup>4</sup> held by K W Limited
- <sup>5</sup> held by Petrofac Training Holdings Limited
- <sup>6</sup> held by Petrofac Training Group Limited

#### (b) Additions

In February 2016, an additional investment was made in Petrofac Solutions and Facilities Support SRL totalling £642,240 (\$900,000), subsequently this investment was disposed of (see note 10(c)).

In June 2016, 55,000,000 ordinary shares with an aggregate nominal value of £55,000,000 were issued for cash at £1 each to Petrofac Limited. Subsequently, Petrofac UK Limited made an investment of £55,000,000 in Petrofac Facilities Management Group Limited.

#### (c) Disposals

During the year the investment with a cost of £7,660,000 and accumulated impairment of £4,984,000 in TNEI Services Ltd was disposed of.

Additionally the investment in Petrofac Solutions and Facilities Support SRL with a cost of £108,244,000 and accumulated impairment of £107,602,000 was disposed of, having formally exited the Ticleni PEC with the sale of our Romanian entity. A loss on disposal of £642,000 is detailed in Exceptional items (note 8).

#### (d) Provision for impairment

The investment in Petrofac Facilities Management Group Limited was impaired in the year by £101,678,000.

The investment in Oilennium Limited was impaired by £1,872,000.

### 11. Trade and other receivables

	2016 £000	2015 £000
Amounts owed by Group undertakings	28	25
Group relief receivable	44	41
Deferred consideration	1,676	-
	<u>1,748</u>	<u>66</u>

## Notes to the financial statements

at 31 December 2016

### 12. Trade and other payables: (amounts falling due within one year)

	2016 £000	2015 £000
Bank overdraft	254	197
Amounts owed to Group undertakings	129,486	128,867
Other creditors	21	-
Accruals and deferred income	24	46
	<u>129,785</u>	<u>129,110</u>

### 13. Authorised, issued and called up share capital

	2016 thousands	2015 thousands	2016 £000	2015 £000
<i>Authorised</i>				
Ordinary £1 Shares	<u>443,000</u>	<u>388,000</u>	<u>443,000</u>	<u>388,000</u>
<i>Allotted, called up and fully paid</i>				
Ordinary £1 Shares	<u>443,000</u>	<u>388,000</u>	<u>443,000</u>	<u>388,000</u>

During the year, 55,000,000 ordinary £1 shares with an aggregate nominal value of £55,000,000 were issued at par.

### 14. Ultimate Group undertaking

The Company is an immediate subsidiary undertaking of Petrofac Limited, a company incorporated in Jersey, which is the smallest and largest group in which the results of the Company are consolidated.

Copies of the Petrofac Limited financial statements can be obtained from the Petrofac Limited Registered Office, 44 Esplanade, St Helier, Jersey, JE4 9WG.