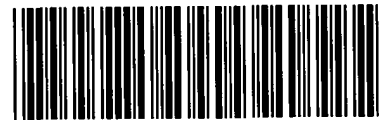


Registered number: 08694012

NORWEGIAN COMPASS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

THURSDAY



A7EF516X
A24 13/09/2018 #338
COMPANIES HOUSE

NORWEGIAN COMPASS LTD

COMPANY INFORMATION

Directors	F J Del Rio D S Farkas (appointed 05 March 2018) W A Beck (resigned 05 March 2018)
Registered number	08694012
Registered office	The St Botolph Building 138 Houndsditch London EC3A 7AR
Independent auditors	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB

NORWEGIAN COMPASS LTD

CONTENTS

	Page
Strategic Report	1
Directors' Report	2
Directors' Responsibilities Statement	3
Independent Auditor's Report	4 - 5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 19

NORWEGIAN COMPASS LTD

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

Introduction

The principal activity of the Company during the year is to provide advances to companies within the same group.

Business review

Our primary objective is to provide continued financial support to Norwegian Cruise Line's growing business in a sustainable and cost effective manner.

Results and performance

The results of the Company for the year ended 31 December 2017, as shown on page 6, show a profit for the year of \$11,845,995 (2016 - \$12,177,342). The profits were comprised primarily of interest income. The results of the current year and prior years demonstrate the Company's ability to achieve their primary objective. The profits combined with the entities assets demonstrate the Company's ability to pay obligations as they become due.

Principal risks and uncertainties

Liquidity Risk

In the management of liquidity risk, the Company monitors its cash positioning and obtained funding via principal and interest payments on its notes receivable from group companies.

Credit Risk

The Company has no primary exposure to credit risk, other than amounts due from group companies.

Other Risks

In the management of other risks, the Company follows controls and processes set out by the parent company of the group which is in line with Sarbanes-Oxley (SOX) requirements.

Financial key performance Indicators

The key performance indicator used to manage the business is net profit margin.

This report was approved by the board on 10 September 2018 and signed on its behalf.



F J Del Rio
Director

NORWEGIAN COMPASS LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

The financial statements have been prepared under, and comply with, the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

PRINCIPAL ACTIVITY

The principal activity of the Company is to provide advances to companies within the same group.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to \$11,845,995 (2016 - \$12,177,342).

DIRECTORS

The directors who served during the year and up to the date of the financial statements were:

F J Del Rio

D S Farkas (appointed 05 March 2018)

W A Beck (resigned 05 March 2018)

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITOR

The auditor, Moore Stephens LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 10 September 2018 and signed on its behalf.



F J Del Rio
Director

NORWEGIAN COMPASS LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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;
- 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.

NORWEGIAN COMPASS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORWEGIAN COMPASS LTD

OPINION

We have audited the financial statements of Norwegian Compass Ltd (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

NORWEGIAN COMPASS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORWEGIAN COMPASS LTD (CONTINUED)

OPINIONS ON OTHER MATTERS 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

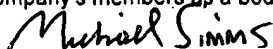
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

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.



Michael Simms, Senior Statutory Auditor

For and on behalf of Moore Stephens LLP, Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

11 September 2018

NORWEGIAN COMPASS LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

		Year ended 31 December 2017 \$	Year Ended 31 December 2016 \$
	Note		
Administrative expenses		<u>(17,274)</u>	<u>(12,594)</u>
OPERATING LOSS	4	<u>(17,274)</u>	<u>(12,594)</u>
Interest income	6	<u>11,863,269</u>	<u>12,189,936</u>
PROFIT BEFORE TAX		<u>11,845,995</u>	<u>12,177,342</u>
Taxation	7	<u>-</u>	<u>-</u>
PROFIT FOR THE YEAR		<u>11,845,995</u>	<u>12,177,342</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>11,845,995</u>	<u>12,177,342</u>

The notes on pages 10 to 19 form part of these financial statements.

NORWEGIAN COMPASS LTD
REGISTERED NUMBER: 08694012

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

		2017		2016	
	Note	\$	\$	\$	\$
FIXED ASSETS					
Investments	9		-		5,900
			-		5,900
CURRENT ASSETS					
Debtors: due after more than one year	10	166,250,000	171,000,000		
Debtors: due within one year	10	6,729,906	6,756,259		
Cash and cash equivalents	11	40,375	36,784		
		173,020,281	177,793,043		
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	12	(64,883)	(50,062)		
NET CURRENT ASSETS			172,955,398		177,742,981
TOTAL ASSETS LESS CURRENT LIABILITIES			172,955,398		177,748,881
NET ASSETS			172,955,398		177,748,881
CAPITAL AND RESERVES					
Share capital	14	165,000,002	165,000,002		
Profit and loss account	15	7,955,396	12,748,879		
TOTAL EQUITY			172,955,398		177,748,881

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 September 2018.



F J Del Rio
Director

The notes on pages 10 to 19 form part of these financial statements.

NORWEGIAN COMPASS LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2017	165,000,002	12,748,879	177,748,881
Profit for the year	-	11,845,995	11,845,995
Dividends: Equity capital	-	(16,639,478)	(16,639,478)
At 31 December 2017	<u>165,000,002</u>	<u>7,955,396</u>	<u>172,955,398</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2016	165,000,002	17,538,667	182,538,669
Profit for the year	-	12,177,342	12,177,342
Dividends: Equity capital	-	(16,967,130)	(16,967,130)
At 31 December 2016	<u>165,000,002</u>	<u>12,748,879</u>	<u>177,748,881</u>

The notes on pages 10 to 19 form part of these financial statements.

NORWEGIAN COMPASS LTD

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	11,845,995	12,177,342
ADJUSTMENTS FOR:		
Interest income	(11,863,269)	(12,189,936)
Loss on sale of subsidiary	910	-
Increase (decrease) in creditors	2,059	(3,355)
NET CASH USED IN OPERATING ACTIVITIES	<u>(14,305)</u>	<u>(15,949)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of subsidiary	4,990	-
Interest received	11,889,622	12,217,167
Receipt of intercompany amounts due	4,750,000	4,750,000
NET CASH GENERATED FROM INVESTING ACTIVITIES	<u>16,644,612</u>	<u>16,967,167</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in amounts owed to group undertakings	12,762	14,743
Dividends paid	(16,639,478)	(16,967,130)
NET CASH USED IN FINANCING ACTIVITIES	<u>(16,626,716)</u>	<u>(16,952,387)</u>
Net increase/(decrease) in cash and cash equivalents	3,591	(1,169)
Cash and cash equivalents at beginning of year	36,784	37,953
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>40,375</u>	<u>36,784</u>

The notes on pages 10 to 19 form part of these financial statements.

NORWEGIAN COMPASS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

The financial statements are presented in US Dollars (USD), as this is the currency in which the majority of the Company's transactions are denominated.

The Company is a private company limited by shares, incorporated on 17 September 2013 under the laws of the United Kingdom. The address of its registered office is The St Botolph Building, 138 Houndsditch, London, EC3A 7AR.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical costs convention and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements contain information about the Company as an individual undertaking, and do not contain consolidated financial information as the parent of a group. The Company is exempt from the requirements to prepare consolidated financial statements as it, and its subsidiaries are consolidated into the financial statements of Norwegian Cruise Line Holdings Limited, a company incorporated in Bermuda and publicly available on www.nchlinvestor.com.

The following principal accounting policies have been applied:

2.2 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.3 Valuation of investments

Investments in subsidiaries are measured at cost less provision for impairment.

Investments in unlisted Company shares, which have been classified as fixed asset investments as the Company intends to hold them on a continuing basis, are re-measured to market value at each reporting date. Gains and losses on re-measurement are recognised in the statement of comprehensive income for the period.

2.4 Cash and cash equivalents

Cash is represented by deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

NORWEGIAN COMPASS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NORWEGIAN COMPASS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Foreign currencies

Functional and presentation currency

The Company's functional and presentation currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.9 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.10 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

NORWEGIAN COMPASS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

4. OPERATING LOSS

The operating loss is stated after charging:

	2017	2016
	\$	\$
Audit fee	14,821	11,388
Loss on sale of subsidiary	910	-

NORWEGIAN COMPASS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

5. AUDITOR'S REMUNERATION

	2017 \$	2016 \$
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>14,821</u>	<u>10,707</u>
	14,821	10,707
Fees payable to the Company's auditor and its associates in respect of:		
All other services	<u>-</u>	<u>681</u>
	-	681

6. INTEREST INCOME

	2017 \$	2016 \$
Other interest receivable	<u>11,863,269</u>	<u>12,189,936</u>
	11,863,269	12,189,936

NORWEGIAN COMPASS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

7. TAXATION

	2017	2016
	\$	\$
UK Corporation tax charge for the year	-	-

UK Income tax is calculated at 19.2% (2016: 20%) of the estimated profit for the year. The UK tax rate decreased during the year and is effective from April 2017.

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19.2% (2016: 20%). The differences are explained below:

	2017	2016
	\$	\$
Profit on ordinary activities before tax	11,845,995	12,177,342
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.2% (2016: 20%)	2,274,431	2,435,468
Effects of:		
Group relief	(2,274,431)	(2,435,468)
Total tax charge for the year	-	-

Factors that may affect future tax changes

There were no factors that may affect future changes.

NORWEGIAN COMPASS LTD

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017**

8. DIVIDENDS

	Year ended 31 December 2017 \$	Year ended 31 December 2016 \$
Dividends on Equity Shares	<u>16,639,478</u>	<u>16,967,130</u>

9. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies \$
Cost	
At 1 January 2017	5,900
Sale of subsidiary	(4,990)
Loss on sale of subsidiary	(910)
At 31 December 2017	<u>-</u>
Net book value	
At 31 December 2017	<u>-</u>
At 31 December 2016	<u>5,900</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of Incorporation	Class of shares	Holding	Principal activity
NCL Corporation Sweden AB	Sweden	Ordinary	100%	To provide payroll processing for Swedish employees

Norwegian Compass Ltd owned 100% of the ordinary shares in NCL Corporation Sweden AB, a company incorporated in Sweden that provides payroll processing.

In May of 2017, the Company sold 100% of the assets of NCL Sweden AB for a total of \$4,990. This resulted in a loss of \$910.

NORWEGIAN COMPASS LTD

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017**

10. DEBTORS

	2017 \$	2016 \$
DUE AFTER MORE THAN ONE YEAR		
Amounts owed by group undertakings	<u>166,250,000</u>	<u>171,000,000</u>

	2017 \$	2016 \$
DUE WITHIN ONE YEAR		
Amounts owed by group undertakings	<u>6,729,906</u>	<u>6,756,259</u>

Amounts owed to group undertakings due within one year include one instalment of \$4,750,000 due on 1 November 2018. The loans carry interest at a rate of 6.75% (2016: 6.75%).

Amounts owed by group companies due after more than one year are being repaid in 2 annual instalments of \$9,500,000 and a final instalment of \$147,250,000 on 1 November 2021. Interest is payable at the rate of 6.75% (2016: 6.75%). None of the debtors are past due or impaired. Amounts are unsecured.

11. CASH AND CASH EQUIVALENTS

	2017 \$	2016 \$
Cash at bank	<u>40,375</u>	<u>36,784</u>

12. CREDITORS: Amounts falling due within one year

	2017 \$	2016 \$
Accruals	15,120	13,061
Amounts owed to group undertakings	<u>49,763</u>	<u>37,001</u>
	<u>64,883</u>	<u>50,062</u>

NORWEGIAN COMPASS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

13. FINANCIAL INSTRUMENTS

	2017 \$	2016 \$
Financial assets		
Cash and cash equivalents	40,375	36,784
Amounts owed by group undertakings	172,979,906	177,756,259
Investments	-	5,900
	<u>173,020,281</u>	<u>177,798,943</u>
Financial liabilities		
Creditors	<u>(64,883)</u>	<u>(50,062)</u>

NORWEGIAN COMPASS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. SHARE CAPITAL

Shares classified as equity	2017		2016	
	Number	Nominal value \$	Number	Nominal value \$
Authorised, Allotted, called up and fully paid				
165,000,000 Ordinary shares of \$1 each	165,000,000	165,000,000	165,000,000	165,000,000
1 Ordinary share of £1 each	1	2	1	2
	<u>165,000,001</u>	<u>165,000,002</u>	<u>165,000,001</u>	<u>165,000,002</u>

15. RESERVE

Profit and Loss

Profit and loss include all current and prior period retained profit.

16. RELATED PARTY TRANSACTIONS

In accordance with FRS 102 section 33.1A the Company has taken advantage of the exemption available not to disclose details of transactions entered into between wholly owned subsidiaries. Amounts owed by group undertakings are disclosed in note 10.

Key management personnel compensation in the year totalled \$Nil (2016: \$Nil).

17. FINANCIAL RISK MANAGEMENT

Norwegian Cruise Line Holdings Limited has overall responsibility for the establishment and oversight of the Company's risk management framework. The Group is responsible for developing and monitoring the Group's risk management strategy and policies.

18. CONTROLLING PARTY

The Company is a subsidiary undertaking of NCL Corporation Ltd, a company incorporated in Bermuda.

The ultimate parent undertaking is Norwegian Cruise Line Holdings Limited a public company incorporated in Bermuda.

These group accounts are publicly available on www.nchltinvestor.com.