

GOLAR FREEZE LIMITED

NON-STATUTORY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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GOLAR FREEZE LIMITED
NON-STATUTORY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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GOLAR FREEZE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Company registration number FC024506

The board of directors D Arnell
B Tienzo
R Swan

Company secretary B Tienzo

Registered office 2nd Floor
S E Pearman Building
9 Par-la-Ville Road
Hamilton HM11
Bermuda

GOLAR FREEZE LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors submit their non-statutory Report on the affairs of Golar Freeze Limited, company registration number FC024506 (the "Company"), together with the non-statutory financial statements for the year ended 31 December 2014

The financial statements on pages 5 to 14 are not the Company's statutory financial statements

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The business review contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Prior to the termination of the leases held by the Company on 29 March 2011, the principal activity of the Company was that of lessors and financiers of assets for the corporate sector.

The balance sheet on page 7 shows the net assets of the Company. Details of amounts owed to other Group undertakings at 31 December 2014 are shown in note 11 to the financial statements.

RESULTS AND DIVIDENDS

The loss for the period on ordinary activities after taxation amounted to £113,320 (2013 loss £122,544).

No dividend was declared to shareholders in the year (2013: £Nil).

DIRECTORS

The directors who served throughout the period and to the date of this report, except as noted, were as follows:

D Arnell
R Swan
B Tienzo

No director had a material interest at any time during the period in any contract of significance with the Company (2013: none).

GOLAR FREEZE LIMITED

REPORT OF THE DIRECTORS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing these non-statutory financial statements

The directors have elected to prepare the non statutory financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The directors' fiduciary duties require that 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 loss of the Company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union 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.

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 provisions of the Companies Act 2006 which would have applied if the financial statements were statutory financial statements. 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.

STATEMENT OF GOING CONCERN


The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in this report. The financial position of the Company, its results of operations, changes in equity and flow of funds are set out in the financial statements.

On 29 March 2011 both the corporate finance lease agreements held by the Company were voluntarily terminated. Post transaction, the directors are reviewing the strategy of the company.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's risks are managed at a group level by Golar LNG Limited.

By order of the board,



Brian Trenzo
Director

GOLAR FREEZE LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	31 Dec 2014 £	31 Dec 2013 £
LOSS BEFORE TAX		-	-
Tax	8	<u>(113,320)</u>	<u>(122,544)</u>
LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF GOLAR FREEZE LIMITED		<u>(113,320)</u>	<u>(122,544)</u>

All the activities of the group are attributable to discontinued operations

The notes on pages 9 to 14 form part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2014

The Company has no comprehensive income or expenses attributable to the equity holders other than the loss (2013 loss) for the current year and the previous period as set out in the Income Statement

The notes on pages 9 to 14 form part of these financial statements

GOLAR FREEZE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Issued capital £	Retained earnings £	Total equity £
Balance at 31 December 2012	12,000	7,667,287	7,679,287
Loss for the year	-	(122,544)	(122,544)
Balance at 31 December 2013	12,000	7,544,743	7,556,743
Loss for the year	-	(113,320)	(113,320)
Balance at 31 December 2014	<u>12,000</u>	<u>7,431,423</u>	<u>7,443,423</u>

The notes on pages 9 to 14 form part of these financial statements

GOLAR FREEZE LIMITED
(COMPANY REGISTRATION NUMBER FC024506)

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	31 Dec 14 £	31 Dec 13 £
ASSETS			
CURRENT ASSETS			
Trade and other receivables	10	<u>15,061,418</u>	<u>15,061,418</u>
TOTAL ASSETS		<u>15,061,418</u>	<u>15,061,418</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	<u>(7,617,995)</u>	<u>(7,504,675)</u>
		<u>(7,617,995)</u>	<u>(7,504,675)</u>
TOTAL NET ASSETS		<u>7,443,423</u>	<u>7,556,743</u>
EQUITY			
ISSUED CAPITAL AND RESERVES			
Issued share capital	14	<u>12,000</u>	<u>12,000</u>
Retained profit		<u>7,431,423</u>	<u>7,544,743</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF GOLAR FREEZE LIMITED		<u>7,443,423</u>	<u>7,556,743</u>

The notes on pages 9 to 14 form part of these financial statements

The financial statements were approved by the board of directors and authorised for issue on 17 June 2016. They were signed on its behalf by



Brian Tienzo
Director

GOLAR FREEZE LIMITED
FUNDS FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	31 Dec 14 £	31 Dec 13 £
Loss for the year		(113,320)	(122,544)
Decrease in Corporation tax liabilities		<u>(249,959)</u>	<u>(1,235)</u>
NET FUND FLOWS FROM OPERATING ACTIVITIES		<u>(363,279)</u>	<u>(123,779)</u>
FUND FLOWS FROM INVESTING ACTIVITIES			
Net receipt from fellow group undertaking		363,279	123,779
		<u>363,279</u>	<u>123,779</u>
NET INCREASE IN FUNDS		-	-
Cash and cash equivalents as at 1 January		<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	13	<u>-</u>	<u>-</u>

The notes on pages 9 to 14 form part of these financial statements

GOLAR FREEZE LIMITED

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS

The financial statements for Golar Freeze Limited, Company registration number FC024506 (the "Company"), for the year ended 31 December 2014 were authorised for issue and the Balance Sheet signed on the Board's behalf by Brian Tienzo. The Company is incorporated in Bermuda and registered in England & Wales as an overseas branch. The Company's registered office is shown on page 2.

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

Results and disclosures for the comparative year are on the same basis as the 2013 financial statements.

2. ACCOUNTING POLICIES

Basis of accounting

The Company's non-statutory financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and adopted for use by the European Union.

None of the new or revised standards or interpretations becoming effective for the period were relevant to the Company.

Going concern

On 29 March 2011 both the corporate finance lease agreements held by the Company were voluntarily terminated. Post transaction, the directors are reviewing the strategy of the company. Consequently the directors continue to adopt the going concern basis as disclosed in the Report of the Directors - Statement of Going Concern.

The Company prepares its financial statements under the historical cost convention. The principal policies adopted are set out below.

Taxation

The tax expense represents the sum of the tax currently payable.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'Profit before tax' as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the Balance Sheet date.

GOLAR FREEZE LIMITED

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

2. ACCOUNTING POLICIES (continued)

Cash and cash equivalents

The Company does not hold cash or cash equivalents and accordingly, no cash flow statement is prepared. The company funds its working capital movements through its intercompany accounts. Movements in the intercompany accounts are considered significant non-cash transactions. The company has chosen to present these non-cash transactions in a funds flow statement, showing movements on the intercompany accounts.

Financial assets

The Company classifies all its financial assets, as determined at initial recognition, as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The amount of the impairment is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Financial liabilities

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Changes to IFRS not adopted in the 2014 financial statements

The International Accounting Standards Board has published various IAS, IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations which are not yet effective.

The Company has not elected to adopt these Standards and Interpretations early in these financial statements. The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF SIGNIFICANT MANAGEMENT JUDGEMENT

Some asset and liability amounts reported in the financial statements are based on management judgement, estimates and assumptions. There is a risk of significant changes to the carrying amounts for these assets and liabilities within the next financial period.

4. RISK MANAGEMENT POLICY AND CONTROL FRAMEWORK

As a result of its normal business activities, the Company is exposed to a variety of risks, the most significant of which are, credit risk, interest rate risk and liquidity risk. The Company manages its risk in line with the central risk management function of the Golar Group. The Group's Risk Framework ensures that risk is managed.

GOLAR FREEZE LIMITED

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

5. RISK MANAGEMENT DISCLOSURES

Credit risk

Credit risk is the risk of loss arising from a customer or counterparty failing to meet their financial obligations to the Company as and when they fall due. The credit quality of customer assets is mitigated by the credit approval process in place.

The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower or group of borrowers. Such risks are monitored on a revolving basis and subject to an annual or more frequent review.

For the Company, 100% (2013: 100%) of the balances are to related parties. The Company recognises that the effective management of credit risk is essential to the maintenance of the shareholder value and manages credit risk accordingly.

Arrears and impairment

No financial assets were impaired as at 31 December 2014 (2013: £nil).

At 31 December 2014 £Nil (2013: £Nil) of lending that would have been past due or impaired, have had their terms renegotiated.

Liquidity risk

Liquidity risk is the risk that the Company either does not have sufficient financial resources available to meet its obligations as they fall due, or can only secure them at excessive cost.

All liabilities are repayable on demand.

The day to day management of liquidity is the responsibility of the Golar LNG Limited.

6. PROFIT FROM OPERATIONS

Directors' emoluments

The directors were not remunerated for their services to the Company. During the period directors' emoluments was borne by Golar Management UK Limited. No emoluments were paid by the Company to the directors during the period (2013: £Nil).

Particulars of employees

No salaries or wages have been paid to employees, including the directors, during the period or the preceding year. The Company had no employees in either the current period or the preceding year.

GOLAR FREEZE LIMITED

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

7. FINANCE COSTS

	31 Dec 14	31 Dec 13
	£	£
Amounts payable to group undertakings	-	-

8. TAX

	31 Dec 14	31 Dec 13
	£	£
Current tax		
Current tax expense	113,320	122,544

UK corporation tax is calculated at 21.5% (2013: 24%) of the estimated assessable profits for the year

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows

	31 Dec 2014	31 Dec 13
	£	£
Loss before tax	-	-
Tax calculated at a rate of 21.5% (2013: 24%)	-	-
Transfer pricing adjustment	113,320	122,544
Tax for the year	113,320	122,544

9. DIVIDENDS

During the year the Company paid an interim dividend of £ Nil (2011: £Nil)

10. TRADE AND OTHER RECEIVABLES

	31 Dec 14	31 Dec 13
	£	£
Due from related parties (note 11)	15,061,418	15,061,418
Total trade and other receivables	15,061,418	15,061,418

11. RELATED PARTY TRANSACTIONS

At the balance sheet date

Parent undertaking and controlling party

The Company's immediate parent company was Golar LNG Lessor Ltd, a company incorporated in the Marshall Islands

GOLAR FREEZE LIMITED

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

11. RELATED PARTIES (continued)

The Company's ultimate parent undertaking and controlling party was Golar LNG Limited, a company registered in Bermuda

Payable to related parties

	31 Dec 14	31 Dec 13
	£	£
Amounts owed to fellow group companies (note 12)	<u>7,687,624</u>	<u>7,324,345</u>

Payable to related parties (continued)

Amounts owed to related parties are unsecured, interest free and have no fixed date of repayment

Due from related parties

The Company entered into transactions with related parties as shown in the table below

	31 Dec 14	31 Dec 13
	£	£
Amount owed from fellow group companies (note 10)	<u>15,061,418</u>	<u>15,061,418</u>

Amounts owed by related parties are unsecured, interest free and have no fixed date of repayment

12. TRADE AND OTHER PAYABLES

	31 Dec 14	31 Dec 13
	£	£
Payable to related parties (note 11)	7,687,624	7,324,345
Corporation tax liability	(69,629)	180,330
Carried forward	<u>(7,617,996)</u>	<u>7,504,675</u>

The directors consider that the carrying amount of the trade and other payables approximates to their fair value

13. CASH AND CASH EQUIVALENTS

The Company does not hold cash or cash equivalents and accordingly, no cash flow statement is prepared. The Company funds its working capital movements through its intercompany accounts

GOLAR FREEZE LIMITED

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

14. ISSUED SHARE CAPITAL

Issued share capital

	31 Dec 14 No	31 Dec 14 £	31 Dec 13 No	31 Dec 13 £
Authorised issued and fully paid				
Ordinary shares of US\$1 each	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>