

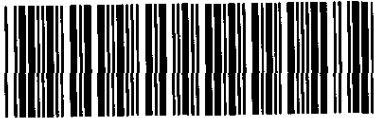
COMPANY REGISTRATION NUMBER FC024510



**GOLAR HILLI LIMITED**

NON-STATUTORY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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## **GOLAR HILLI LIMITED**

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**GOLAR HILLI LIMITED**

**COMPANY INFORMATION**

<b>Company registration number</b>	FC024510
<b>The board of directors</b>	S Buchanan B Tienzo R Swan
<b>Company secretary</b>	B Tienzo
<b>Registered office</b>	2 <sup>nd</sup> Floor S.E. Pearman Building 9 Par-la-Ville Road Hamilton HM11

## **GOLAR HILLI LIMITED**

### **REPORT OF THE DIRECTORS**

The directors submit their non-statutory Report on the affairs of Golar Hilli Limited, company registration number FC024510 (the “Company”), together with the non-statutory financial statements for the period ended 31 December 2016.

The financial statements on pages 5 to 15 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 lease held by the Company on 29 May 2014 the principal activity of the Company was that of lessors and financiers of its sole vessel, the Hilli, for the corporate sector, which is a related group company.

The balance sheet on page 7 shows that the net assets of the Company.

The directors do not expect any significant change in the level of business post termination, while they review the strategy of the Company.

### **RESULTS AND DIVIDENDS**

The loss for the period on ordinary activities after taxation amounted to £188,467 (2015: £152,472).

An interim dividend of £nil (2015: £nil) was paid to shareholders.

### **DIRECTORS**

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

S Buchanan

R Swan

B Tienzo

No director had a material interest at any time during the year in any contract of significance with the Company (2015: none).

## **GOLAR HILLI LIMITED**

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

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

The directors have elected to prepare the 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 profit or loss of the Company for that period.

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

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and 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 financial position of the Company, its results of operations, changes in equity and flow of funds are set out in the financial statements.


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 cash flows, liquidity position and borrowing facilities are set out in the financial statements.

On 29 May 2014 the Company disposed of both of the vessels held and the associated finance lease agreements were terminated, post transaction the directors are reviewing the strategy of the company.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

Since 19 October 2010 the Company has been a wholly owned subsidiary of Golar GHK Lessors Limited, a company incorporated in the Republic of the Marshall Islands, which is a subsidiary of Golar LNG Limited, the ultimate parent company. Risks are principally managed by Golar LNG Limited for the group as a whole.

By order of the board,



Brian Tienzo  
Director

**09 NOV 2017**

**GOLAR HILLI LIMITED**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	31 Dec 2016 £	31 Dec 2015 £
<b>LOSS BEFORE TAX</b>		<u>—</u>	<u>—</u>
Tax	7	(188,467)	(152,472)
<b>LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF GOLAR HILLI LIMITED</b>		<u>(188,467)</u>	<u>(152,472)</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 2016**

The Company has no comprehensive income or expenses attributable to the equity holders other than the 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 HILLI LIMITED**

**COMPANY REGISTRATION NUMBER FC024510**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Notes	31 Dec 2016 £	31 Dec 2015 £
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Trade and other receivables	9	24,205,377	24,205,377
<b>TOTAL ASSETS</b>		<b>24,205,377</b>	<b>24,205,377</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	(2,956,569)	(2,768,102)
<b>TOTAL LIABILITIES</b>		<b>(2,956,569)</b>	<b>(2,768,102)</b>
<b>TOTAL NET ASSETS</b>		<b>21,248,808</b>	<b>21,437,275</b>
<b>EQUITY</b>			
<b>ISSUED CAPITAL AND RESERVES</b>			
Issued share capital	13	12,001	12,001
Share premium		20,951,006	20,951,006
Retained profit		285,801	474,268
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF GOLAR HILLI LIMITED</b>		<b>21,248,808</b>	<b>21,437,275</b>

*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  
They were signed on its behalf by:



Brian Fianzo  
Director

**09 NOV 2017**

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

	<b>Issued share capital</b>	<b>Share Premium</b>	<b>Retained earnings</b>	<b>Total equity</b>
	£	£	£	£
Balance at 31 December 2014	12,001	20,951,006	626,740	21,589,747
Loss for the year	—	—	(152,472)	(152,472)
Balance at 31 December 2015	<u>12,001</u>	<u>20,951,006</u>	<u>474,268</u>	<u>21,437,275</u>
Loss for the year	—	—	(188,467)	(188,467)
Balance at 31 December 2016	<u>12,001</u>	<u>20,951,006</u>	<u>285,801</u>	<u>21,248,808</u>

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



**GOLAR HILLI LIMITED**

**FUND FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	31 Dec 2016 £	31 Dec 2015 £
<b>Total loss for the year</b>		<b>(188,467)</b>	<b>(152,472)</b>
Increase/(Decrease) in trade and other payables		<b>188,467</b>	<b>152,472</b>
<b>NET FUND FLOWS FROM OPERATING ACTIVITIES</b>		<u>—</u>	<u>—</u>
<b>FUND FLOWS FROM INVESTING ACTIVITIES</b>			
Net receipt from fellow group undertaking		—	—
<b>NET INCREASE IN FUNDS</b>		<u>—</u>	<u>—</u>
Cash and cash equivalents as at 1 January		—	—
<b>CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER</b>	12	<u>—</u>	<u>—</u>

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

## **GOLAR HILLI LIMITED**

### **NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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

The non-statutory financial statements for Golar Hilli Limited, Company registration number FC024510 (the “Company”), for the year ended 31 December 2016 were authorised for issue on and the Balance Sheet signed on the Board's behalf by Brian Tienzo. The Company is incorporated in Bermuda and registered in England and 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 2015 results.

#### **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 May 2014, the long term funded finance lease was 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 and on the going concern basis.

##### **Taxation**

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

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.

##### **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 instruments**

Financial assets and liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

##### **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.

‘Loans and advances to customers’ are classed as Loans and Receivables. ‘Net investment in finance leases’ are treated in accordance with the Company's policy on finance lease agreements.

## **GOLAR HILLI LIMITED**

### **NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **2. ACCOUNTING POLICIES (continued)**

##### **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.

##### **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.

##### **Changes to IFRS not adopted in the 2016 accounts**

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 judgment**

Some asset and liability amounts reported in the financial statements are based on management judgment, 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 operational risk, credit risk, market risk, interest rate risk and liquidity risk. The Company manages its risk in line with the central risk management function outlined in the annual report and financial statements of Golar LNG Limited.

#### **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% (2015: 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.

## GOLAR HILLI LIMITED

### NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### 5. RISK MANAGEMENT DISCLOSURES (continued)

##### Arrears and impairment

No financial assets were impaired as at 31 December 2016 (2015: £nil)

##### 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 (2015: £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.

#### 7. TAX

	31 Dec 2016	31 Dec 2015
	£	£
<b>Current tax</b>		
Current tax expense	(188,467)	(152,472)

UK corporation tax is calculated at 20.00% (2015: 20.25%) 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 2016	31 Dec 2015
	£	£
Loss before tax	—	—
Tax calculated at a rate of 20.00% (2015: 20.25%)	—	—
Transfer pricing adjustment	(169,413)	(152,472)
Charge in the period - in respect of prior year	(19,054)	—
<b>Tax for the year</b>	<b>(188,467)</b>	<b>(152,472)</b>

## GOLAR HILLI LIMITED

### NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### 8. DIVIDENDS

During the year the Company paid an interim dividend of £nil (2015 £nil).

#### 9. TRADE AND OTHER RECEIVABLES

	31 Dec 2016	31 Dec 2015
	£	£
Due from related parties (note 10)	24,205,377	24,205,377
<b>Total trade and other receivables</b>	<b>24,205,377</b>	<b>24,205,377</b>

#### 10. RELATED PARTY TRANSACTIONS

##### At the balance sheet date

##### Parent undertaking and controlling party

The Company's immediate parent company is Golar GHK Lessors limited, a company incorporated in the Republic of the Marshall Islands.

The Company's ultimate parent undertaking and controlling party is Golar LNG limited, a company registered in Bermuda.

The smallest and largest group that consolidated the results of the Company is Golar LNG limited, copies of the group financial statements can be obtained from 2<sup>nd</sup> Floor, S.E. Pearman Building, 9 Par-la-Ville Road, Hamilton HM11.

##### Payable to related parties

	31 Dec 2016	31 Dec 2015
	£	£
Amounts owed to fellow group companies (note 11)	(2,856,864)	(2,689,385)

##### Due from related parties

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

	31 Dec 2016	31 Dec 2015
	£	£
Amount due from fellow group companies (note 9)	24,205,377	24,205,377

##### Key management compensation

As detailed in note 6 the Company had no employees in either the current period or the preceding year and the directors up until the balance sheet date were remunerated through Golar Management Ltd therefore no key management compensation was paid by this Company.

**GOLAR HILLI LIMITED****NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016****11. TRADE AND OTHER PAYABLES**

	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
	<b>£</b>	<b>£</b>
Payable to related parties (note 10)	<b>(2,856,864)</b>	(2,689,385)
Corporation tax liability	<b>(98,142)</b>	(77,154)
Accruals	<b>(1,563)</b>	(1,563)
	<b><u>(2,956,569)</u></b>	<b><u>(2,768,102)</u></b>

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

**12. 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.

**13. ISSUED SHARE CAPITAL****Issued share capital**

	<b>31 Dec 2016</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>	<b>31 Dec 2015</b>
	<b>Shares</b>	<b>£</b>	<b>Shares</b>	<b>£</b>
<b>Authorised issued and fully paid</b>				
Ordinary shares of £1 each	<b><u>12,001</u></b>	<b><u>12,001</u></b>	<u>12,001</u>	<u>12,001</u>

All issued share capital is classified as equity.