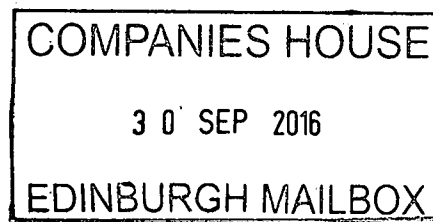


Petrofac Facilities Management Group Limited

Report and Financial Statements

31 December 2015



FRIDAY



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COMPANIES HOUSE

Petrofac Facilities Management Group Limited

Registered No: SC109608

Directors

W Thain
C Thompson

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

CMS Cameron McKenna LLP
6 Queens Road
Aberdeen
AB15 4ZT

Registered office

Bridge View
1 North Esplanade West
Aberdeen
AB11 5QF

Petrofac Facilities Management Group Limited

Registered No: SC109608

Strategic report

The directors present their strategic report for the year ended 31 December 2015.

Principal activities and review of the business

The principal activity of the company is to act as a holding company.

The company's subsidiaries and their activities are listed in note 4 to the financial statements.

During the year the company transitioned from previously extant UK GAAP to FRS 101 – *Reduced Disclosure Framework* and has taken advantage of the disclosure exemptions allowed under this standard. The company's ultimate parent undertaking, Petrofac Limited, was notified of and did not object to the use of the FRS 101 disclosure exemptions. Details of the recognition or measurement differences arising on the adoption of FRS 101 are included in note 9 to these financial statements.

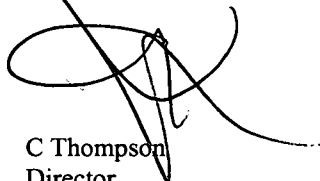
The investment made in 2015 in Petrofac Facilities Management Limited of £300,000,000 has been impaired by £101,982,000 as at the year end.

The investment in Atlantic Resourcing Limited has been impaired by £18,688,000 in the year.

Future developments

The directors remain committed to an investment strategy which will strengthen the position of the Petrofac group in the United Kingdom.

On behalf of the board



C Thompson
Director
29 September 2016

Petrofac Facilities Management Group Limited

Registered No: SC109608

Directors' report

The directors present their report and financial statements for the year ended 31 December 2015.

Results and dividends

The loss for the year, after taxation, amounted to £120,670,000 (2014 – £13,000,000). The company has not paid a dividend in respect of the year ended 31 December 2015 (2014 - £nil).

Directors and their interests

The directors at 31 December 2015 and who served during the year were as follows:

W Thain
C Thompson

Going concern

Petrofac UK Holdings, the parent company, has confirmed that it will continue to provide such financial support as will enable the company to continue to trade as a going concern and meet its obligations and liabilities as they fall due for at least 12 months following the date of approval of the financial statements. Accordingly, the directors have continued to adopt the going concern basis in preparing the financial statements.

Disclosure of information to the auditors

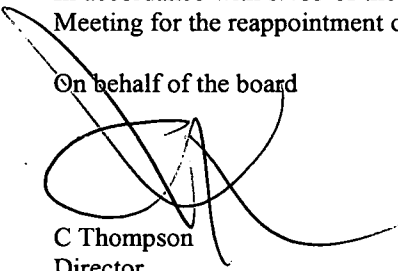
The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- 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



C Thompson
Director

29 September 2016

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; and
- 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 member of Petrofac Facilities Management Group Limited

We have audited the financial statements of Petrofac Facilities Management Group Limited for the year ended 31 December 2015 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 10. 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 auditor

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 required by us in the course of performing our audit. If we become aware of any apparent material misstatement 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 2015 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 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.

Matters on which we are required to report by exception

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

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

30 September 2016

Petrofac Facilities Management Group Limited

Income statement

For the year ended 31 December 2015

| | | 2015 | 2014 |
|--|-------|-----------|----------|
| | Notes | £000 | £000 |
| Turnover | | - | - |
| Cost of sales | | - | - |
| Gross Loss | | - | - |
| Administrative expenses | | - | - |
| Operating loss | | - | - |
| Amounts written off investments | 4 | (120,670) | (13,000) |
| Loss on ordinary activities before taxation | | (120,670) | (13,000) |
| Tax charge on loss on ordinary activities | | - | - |
| Loss for the financial year | | (120,670) | (13,000) |

All activities relate to continuing operations.

Statement of comprehensive income

For the year ended 31 December 2015

| | 2015 | 2014 |
|--|-----------|----------|
| | £'000 | £'000 |
| Loss for the financial year | (120,670) | (13,000) |
| Total comprehensive loss for the year | (120,670) | (13,000) |

Petrofac Facilities Management Group Limited

Statement of changes in equity

For the year ended 31 December 2015

| | <i>Share capital £000</i> | <i>Share premium £000</i> | <i>Capital redemption reserve £000</i> | <i>Profit and loss account £000</i> | <i>Total Equity £000</i> |
|-----------------------------|-----------------------------------|-----------------------------------|--|---|----------------------------------|
| At 1 January 2014 | 32,073 | 690 | 224 | 550 | 33,537 |
| Loss for the financial year | - | - | - | (13,000) | (13,000) |
| At 31 December 2014 | 32,073 | 690 | 224 | (12,450) | 20,537 |
| Issue of share capital | 300,000 | - | - | - | 300,000 |
| Loss for the financial year | - | - | - | (120,670) | (120,670) |
| At 31 December 2015 | 332,073 | 690 | 224 | (133,120) | 199,867 |

Petrofac Facilities Management Group Limited

Statement of financial position

at 31 December 2015

| | | 2015 | 2014 |
|--|-------|------------------|-----------------|
| | Notes | £000 | £000 |
| Fixed assets | | | |
| Investments | 4 | 202,530 | 23,200 |
| | | <u>202,530</u> | <u>23,200</u> |
| Current assets | | | |
| Amounts owed by group undertakings | 5 | 83 | 6,083 |
| | | <u>83</u> | <u>6,083</u> |
| Creditors: amounts falling due within one year | | | |
| Amounts owed to group undertakings | 6 | 2,746 | 2,746 |
| | | <u>2,746</u> | <u>2,746</u> |
| Net current (liabilities) / assets | | (2,663) | 3,337 |
| Total assets less current liabilities | | <u>199,867</u> | <u>26,537</u> |
| Creditors: amounts falling due after more than one year | 7 | - | 6,000 |
| Net assets | | <u>199,867</u> | <u>20,537</u> |
| Capital and reserves | | | |
| Share capital | 8 | 332,073 | 32,073 |
| Share premium account | | 690 | 690 |
| Capital redemption reserve | | 224 | 224 |
| Profit and loss account | | <u>(133,120)</u> | <u>(12,450)</u> |
| Total equity | | <u>199,867</u> | <u>20,537</u> |

The financial statements were approved for issue by the board on 29 September 2016.

.....
C Thompson
Director

Notes to the financial statements

at 31 December 2015

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

The financial statements of Petrofac Facilities Management Group Limited (the “Company”) for the year ended 31 December 2015 were authorised for issue by the board of directors on 29 September 2016 and the statement of financial position was signed on the board’s behalf by Walter Thain. Petrofac Facilities Management Group Limited is incorporated and domiciled in Scotland.

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 Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. Transition reconciliations showing all material adjustments are disclosed in note 9. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

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.

Notes to the financial statements

at 31 December 2015

3. Directors' remuneration

The company directors are also directors of some fellow subsidiary companies. The remuneration of C Thompson was paid by Petrofac Services Limited, a wholly owned subsidiary of Petrofac Limited. The remuneration of W Thain was paid by Petrofac Facilities Management 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.

4. Investments

(a) Subsidiary undertakings

| | <i>2015</i> |
|------------------------------------|------------------|
| | <i>£000</i> |
| <i>Cost:</i> | |
| At 1 January 2015 | 36,200 |
| Additions | 300,000 |
| At 31 December 2015 | <u>336,200</u> |
| <i>Amounts provided:</i> | |
| At 1 January 2015 | (13,000) |
| Provision for impairment | (120,670) |
| At 31 December 2015 | <u>(133,670)</u> |
| Net book value at 31 December 2015 | <u>202,530</u> |
| Net book value at 1 January 2015 | <u>23,200</u> |

During the year, 100,000,000 ordinary shares with an aggregate nominal value of £300,000,000 were allotted for cash at £3 each to Petrofac UK Holdings Limited.

The proceeds of £300,000,000 from the share issue were used to purchase 300,000,000 ordinary shares at £1 each with an aggregate nominal value of £300,000,000 in Petrofac Facilities Management Limited.

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 11.57%. 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.

Notes to the financial statements

at 31 December 2015

4. Investments (continued)

(a) Subsidiary undertakings (continued)

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 Limited* | Ordinary £1 shares | United Kingdom | 100% | Operations maintenance, engineering services, integrity and asset management and provision of training and competency solutions |
| Scotvalve Services Limited** | Deferred £1 shares Ordinary £1 shares | United Kingdom | 100% | Supply of specialist engineering services to the oil and gas industry |
| Stephen Gillespie Consultants Limited** | Ordinary £0.01 shares | United Kingdom | 100% | Provision of computer control systems for fiscal metering for the oil and gas industry |
| Petrofac Solutions and Facilities Support SRL** | Ordinary RON 10 shares | Romania | 11.62% | Provision of production enhancement services |
| Atlantic Resourcing Limited* | Ordinary £1 shares | United Kingdom | 100% | Supply of skilled personnel to the oil and gas industry |
| Plant Asset Management Limited* | Ordinary £1 shares | United Kingdom | 100% | Dormant |
| Petrofac Deutschland GmbH** | 1 euro Ordinary shares | Germany | 100% | Operation, management and construction of all forms of renewable energy facilities |
| Joint Venture International Limited** | Ordinary £2 shares | United Kingdom | 100% | Dormant |
| iPerform Limited** | Ordinary £2 shares | United Kingdom | 100% | Dormant |
| Costain Petrofac Limited** | Ordinary £1 shares | United Kingdom | 50% | Supply engineering and construction services to Morecambe Bay gas fields |
| MJVI Sendirian Berhad** | A BND1.00 shares | Brunei | 50% | Dormant |

* held directly by Petrofac Facilities Management Group Limited

** held by Petrofac Facilities Management Limited

During 2016, we formally exited the Ticleni PEC with the sale of our Romanian entity, and this investment has been fully impaired in Petrofac Facilities Management Limited.

(b) Provision for impairment

The investment in Petrofac Facilities Management Limited of £300,000,000 has been impaired by £101,982,000 in the year.

The investment in Atlantic Resourcing Limited has been impaired by £18,688,000 during in the year.

Notes to the financial statements

at 31 December 2015

5. Trade and other receivables

| | 2015 £000 | 2014 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed by group undertakings | 83 | 6,083 |

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

| | 2015 £000 | 2014 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed to group undertakings | 2,746 | 2,746 |

7. Trade and other payables: (amounts falling due after more than one year)

| | 2015 £000 | 2014 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed to parent undertaking | - | 6,000 |

8. Authorised, issued and called up share capital

| | 2015 thousands | 2014 thousands | 2015 £000 | 2014 £000 |
|---|-------------------|-------------------|--------------|--------------|
| <i>Authorised</i> | | | | |
| Ordinary £3 shares | 110,691 | 10,691 | 332,073 | 32,073 |
| <i>Allotted, called up and fully paid</i> | | | | |
| Ordinary £3 shares | 110,691 | 10,691 | 332,073 | 32,073 |

9. Transition to FRS 101

For all periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this note explains the principal adjustments made by the Company in restating its statement of financial position as at 1 January 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the year ended 31 December 2014.

On transition to FRS 101, the company has applied the requirements of paragraphs 6-33 of IFRS 1 "First time adoption of International Financial Reporting Standards".

Notes to the financial statements

at 31 December 2015

9. Transition to FRS 101 (continued)

Restatement of equity from UK GAAP to FRS 101

There were no adjustments made by the company in restating its statement of financial position as at 1 January 2014 or 31 December 2014 prepared under previously extant UK GAAP and its previously published GAAP financial statements for the year ended 31 December 2014, therefore the Company has not disclosed a reconciliation of equity or reconciliation of total comprehensive income.

10. Ultimate Group undertaking

The company is an immediate subsidiary undertaking of Petrofac UK Holdings Limited, a company incorporated in England.

Petrofac Limited, the ultimate parent company and controlling party, is a company incorporated in Jersey, and heads the largest group in which the results of the group are consolidated.

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