

Petrofac Facilities Management Group Limited

Amending Report and Financial Statements

31 December 2016



Petrofac Facilities Management Group Limited

Registered No: SC109608

Directors

R McKnight

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 2016.

Principal activities and review of the business

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

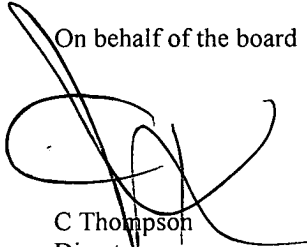
The company's subsidiaries and their activities are listed in note 4 to the financial statements.

Investments increased by £55,000,000 during the year with specific details in Note 4. The investment in Petrofac Facilities Management Limited has been impaired by £102,867,000 as at the year end.

Future developments

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

On behalf of the board

A handwritten signature in black ink, appearing to be 'C Thompson', written over the printed name and date.

C Thompson
Director
13 August 2018

Petrofac Facilities Management Group Limited

Registered No: SC109608

Directors' report

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

Revision of Financial Statements

The original financial statements for the year ended 31 December 2016 failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors in the statement contained in note 8 to these revised financial statements.

The revised financial statements have been prepared as at the date of the original financial statements (28 September 2017) and not as at the date of revision and accordingly do not deal with events between these dates.

The revised financial statements replace the original financial statements for the financial year and are now the financial statements for the financial year.

Results and dividends

The loss for the year, after taxation, amounted to £102,867,000 (2015 – £120,670,000). The company has not paid a dividend in respect of the year ended 31 December 2016 (2015 - £nil).

Directors and their interests

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

W Thain
C Thompson

Going concern

Petrofac UK Holdings Limited, 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

13 August 2018

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Under section 454 of the Companies Act 2006 the directors have the authority to revise financial statements or a directors' report if they do not comply with the Act. The revised financial statements must be amended in accordance with the Companies (Revision of Defective Accounts and Report) Regulations 2008 (As amended). These require that the revised financial statements show a true and fair view as if they were prepared and approved by the directors as at the date of the original financial statements and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

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 revised financial statements of Petrofac Facilities Management Group Limited for the year ended 31 December 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of changes in equity, the Statement of financial position and the related notes 1 to 9. These revised financial statements have been prepared under the accounting policies set out therein and replace the original financial statements approved by the directors on 28 September 2017.

The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Report) Regulations 2008 (As amended) and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

This report is made solely to the company's members, as a body, in accordance with the Companies (Revision of Defective Accounts and Report) Regulations 2008 (As amended). 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

The directors' responsibilities for preparing the revised financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that they give a true and fair view are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the revised financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the revised financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and are prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Report) Regulations 2008 (As amended). We also report to you whether, in our opinion, the information given in the Strategic Report and Directors' Report is consistent with the revised financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records or if we have not received all the information and explanations we require for our audit or if disclosures of directors' benefits, remuneration, pensions and compensation for loss of office specified by law are not made.

We read the Strategic Report and the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

We are also required to report whether, in our opinion, the original financial statements failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the revised financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the revised financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

The audit of revised financial statements includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the revised financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the revised financial statements.

Independent Auditors' report

to the member of Petrofac Facilities Management Group Limited (continued)

Opinion

In our opinion:

- the revised financial statements give a true and fair view, seen as at the date the original financial statements were approved, of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- the revised financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice seen as at the date the original financial statements were approved
- the revised financial statements have been properly prepared in accordance with the provisions of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 (As amended);
- the original financial statements for the year ended 31 December 2016 failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors in the statement contained in note 8 to these revised financial statements; and
- the information given in the Strategic Report and the Directors' Report is consistent with the revised financial statements.

Emphasis of matter – revision of Statement of financial position

In forming our opinion on the revised financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 8 to these revised financial statements concerning the need to revise the statement of financial position. The original financial statements were approved on 28 September 2017 and our previous report was signed on 29 September 2017. We have not performed a subsequent events review for the period from the date of our previous report to the date of this report.

Ernst & Young LLP

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

14 August 2018

Petrofac Facilities Management Group Limited

Income statement

For the year ended 31 December 2016

		2016	2015
	Notes	£000	£000
Turnover		-	-
Cost of sales		-	-
Administrative expenses		-	-
Operating loss		-	-
Amounts written off investments	4	(102,867)	(120,670)
Loss on ordinary activities before taxation		(102,867)	(120,670)
Tax charge on loss on ordinary activities		-	-
Loss for the financial year		(102,867)	(120,670)

All activities relate to continuing operations.

Statement of comprehensive income

For the year ended 31 December 2016

	2016	2015
	£'000	£'000
Loss for the financial year	(102,867)	(120,670)
Total comprehensive loss for the year	(102,867)	(120,670)

Petrofac Facilities Management Group Limited

Statement of changes in equity

For the year ended 31 December 2016

	<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 2015	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
Issue of share capital	55,000	-	-	-	55,000
Loss for the financial year	-	-	-	(102,867)	(102,867)
At 31 December 2016	387,073	690	224	(235,987)	152,000

Petrofac Facilities Management Group Limited

Statement of financial position

at 31 December 2016

		2016	2015
	Notes	£000	£000
Fixed assets			
Investments	4	154,663	202,530
		<u>154,663</u>	<u>202,530</u>
Current assets			
Amounts owed by group undertakings	5	83	83
		<u>83</u>	<u>83</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>
Total assets less current liabilities		<u>152,000</u>	<u>199,867</u>
Net assets		<u>152,000</u>	<u>199,867</u>
Capital and reserves			
Share capital	7	387,073	332,073
Share premium account		690	690
Capital redemption reserve		224	224
Profit and loss account		(235,987)	(133,120)
Total equity		<u>152,000</u>	<u>199,867</u>

The financial statements were approved for issue by the board on 13 August 2018.

.....
C Thompson
Director

Notes to the financial statements

at 31 December 2016

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

The financial statements of Petrofac Facilities Management Group Limited (the “Company”) for the year ended 31 December 2016 were authorised for issue by the board of directors on 13 August 2018 and the statement of financial position was signed on the board’s behalf by Carl Thompson. 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 accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2016.

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

- The requirements of paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement* provided that equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated.
- The requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 *Property, Plant and Equipment*;
 - paragraph 118(e) of IAS 38 *Intangible Assets*;
 - paragraphs 76 and 79(d) of IAS 40 *Investment Property*; and
 - paragraph 50 of IAS 41 *Agriculture*.
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 *Presentation of Financial Statements*.
- The requirements of IAS 7 *Statement of Cash Flows*.
- The requirements of IFRS 7 *Financial Instruments: Disclosures*, provided that equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated.
- The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.
- The requirements of paragraph 17 and 18(a) of IAS 24 *Related Party Disclosures*
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of Assets*, provided that equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated.

Notes to the financial statements

at 31 December 2016

2. Accounting policies (continued)

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.

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>2016</i>
	<i>£000</i>
<i>Cost:</i>	
At 1 January 2016	336,200
Additions	55,000
At 31 December 2016	<u>391,200</u>
<i>Amounts provided:</i>	
At 1 January 2016	(133,670)
Provision for impairment	(102,867)
At 31 December 2016	<u>(236,537)</u>
Net book value at 31 December 2016	<u>154,663</u>
Net book value at 1 January 2016	<u>202,530</u>

Petrofac Facilities Management Group Limited

Notes to the financial statements

at 31 December 2016

4. Investments (continued)

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.

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
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

(a) Additions

In December 2016, 18,333,334 ordinary shares with an aggregate nominal value of £55,000,002 were issued for cash at £3 each to Petrofac UK Holdings Limited. Subsequently, Petrofac Facilities Management Group Limited made an investment of £55,000,000 in Petrofac Facilities Management Limited.

Petrofac Facilities Management Group Limited

Notes to the financial statements

at 31 December 2016

4. Investments (continued)

(b) Provision for impairment

The investment in Petrofac Facilities Management Limited has been impaired by £102,867,000 in the year.

5. Trade and other receivables

	2016 £000	2015 £000
Amounts owed by group undertakings	83	83

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

	2016 £000	2015 £000
Amounts owed to group undertakings	2,746	2,746

7. Authorised, issued and called up share capital

	2016 thousands	2015 thousands	2016 £000	2015 £000
<i>Authorised</i>				
Ordinary £3 shares	129,024	110,691	387,073	332,073
<i>Allotted, called up and fully paid</i>				
Ordinary £3 shares	129,024	110,691	387,073	332,073

During the year, 18,333,334 ordinary £3 shares with an aggregate value of £55,000,002 were issued at par.

8. Revision of Financial Statements

The original financial statements did not include the investment of £55,000,000 in Petrofac Facilities Management Limited as detailed in Note 4 (a). The investment was impaired in full in the year.

The investment was financed by the issue of 18,333,334 ordinary shares with an aggregate nominal value of £55,000,002 to Petrofac UK Holdings Limited. Note 7 has been updated to reflect the ordinary share issue.

The Income statement, Statement of changes in equity and Statement of financial position have been updated accordingly.

Petrofac Facilities Management Group Limited

Notes to the financial statements

at 31 December 2016

9. 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.