

Teekay Hummingbird Production Limited  
(formerly known as Sevan Production Services Limited)  
Annual report and financial statements  
for the year ended 31 December 2011

Registered Number SC294888

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Teekay Hummingbird Production Limited  
(formerly known as Sevan Production Services Limited)  
Director's report and financial statements  
for the year ended 31 December 2011  
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**Teekay Hummingbird Production Limited**  
**(formerly known as Sevan Production Services Limited)**

**Director and advisors for the year ended 31 December 2011**

**Directors**

Tor Olav Bye-Andersen  
Nils Berger Johannessen  
Peter Lytzen

**Secretary**

D W Company Services Limited

**Registered office**

191 West George Street  
Glasgow  
G2 2LD

**Registered Auditors**

PricewaterhouseCoopers LLP  
32 Albyn Place  
Aberdeen  
AB10 1YL

**Solicitors**

Dundas and Wilson  
191 West George Street  
Glasgow  
G2 2LD

**Bankers**

DNB ASA  
Munkegt 22  
7013 Trondheim

## **Teekay Hummingbird Production Limited (formerly known as Sevan Production Services Limited)**

### **Director's report for the year ended 31 December 2011**

The director presents this report to the member together with the audited financial statements of the company for the year ended 31 December 2011.

#### **Principal activities**

The company's principal activity is to deliver products, services and related activities to the offshore oil industry. Teekay Hummingbird Production Limited (formerly known as Sevan Production Services Limited) is an operating company for the FPSO Hummingbird Spirit (formerly known as FPSO Sevan Hummingbird), which the company chartered from Teekay Hummingbird General Partnership (formerly known as Sevan Production General Partnership) (a business registered in Singapore).

#### **Business review and future developments**

The company and the FPSO were bought by Teekay Corporation in November 2011. On 13 February 2012, the company changed its name to Teekay Hummingbird Production Limited and the FPSO changed its name to the Hummingbird Spirit.

In August 2008, the FPSO Sevan Hummingbird became the first cylindrical FPSO to be installed in the North Sea. A high operating uptime, allowing helicopters to land on the FPSO and no processing restrictions experienced in relation to severe weather conditions, have demonstrated the suitability of the Sevan design for operations in harsh environments. The FPSO Hummingbird Spirit continued to deliver stable operation and production throughout 2011 with Technical Uptime of 86.1% for the year and Commercial Uptime of 102.2% including bonus achieved for high production levels. The FPSO is operating for Centrica Energy Upstream ("Centrica") on the Chestnut field in the Central UK North Sea under a fixed term contract until 1 January 2014 plus extension options. The charter is automatically extended by three months unless notice is given three months prior to the expiration of the contracted period. The maximum extension period is until 1 April 2015.

The FPSO Hummingbird Spirit is operated by Wood Group Plc on behalf of Teekay Hummingbird Production Ltd.

#### **Profit and Loss Account and Balance Sheet**

Total revenue for 2011 totalled US\$66,036,316 compared to US\$63,825,164 in 2010. The company earned an operating profit of US\$4,562,541, an improvement of US\$273,127 from the operating profit earned in 2010. The net profit for the current year ended was US\$3,937,714, compared to a loss of US\$9,896,191 in 2010.

As at 31 December 2011, total assets amounted to US\$12,961,722 of which US\$4,883,254 was cash at bank and in hand. At the year end, the company was in a net current liabilities position of US\$39,086,856 and total liabilities amounted to US\$52,048,578 of which US\$45,239,390 comprised of amounts due to group undertakings. The directors are of the view that the preparation of the financial statements of the company on a going concern basis is appropriate, on the basis described in Note 1 of the financial statements.

#### **Financial risk management**

The company's operations expose it to a variety of financial risks that include the effects of changes in market risks (including price risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to limit the potential adverse effects on the financial performance of the company.

Risk management is carried out by Treasury under policies approved by the ultimate parent undertaking's Board of Directors ("the Board"). Treasury identifies, evaluates and hedges financial risks in close co-operation with its operating units at Group level.

The Board approves the principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

**Teekay Hummingbird Production Limited**  
**(formerly known as Sevan Production Services Limited)**

**Director's report for the year ended 31 December 2011 (continued)**

**Financial risk management (continued)**

*(a) Market risk*

*(i) Price risk*

The company is exposed to commodity price risk as a result of its operations. The demand for the company's services in connection with production and exploration in the offshore oil sector is particularly sensitive to oil price developments, fluctuations in production levels, exploration results and general activity within the oil industry. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

*(ii) Interest rate risk*

The company's interest rate risk arises from borrowings owed to group undertakings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. Borrowings issued at fixed rates expose the company to fair value interest rate risk.

The company's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in US Dollars.

*(b) Credit risk*

Credit risk arises from cash at bank and in hand and credit exposures to a customer. The company adopts the policy of dealing with high credit quality counterparties.

*(c) Liquidity risk*

The company's liquidity risk management policy is to maintain sufficient cash to meet all its operating and capital obligations in the form of continuing financial support from the ultimate parent undertaking to enable the company to meet its debts and liabilities as and when they fall due for at least 12 months from the balance sheet date.

**Results and dividends**

The profit after tax for the year amounted to US\$3,937,714 (2010: loss of US\$9,896,191) and has been added to the deficit on the profit and loss account. The director does not recommend the payment of a dividend (2010: nil).

**Directors**

The directors who held office during the year are given below:

Jan Erik Tveteraas (resigned 5 September 2011)  
Carl Lieungh (resigned 9 January 2012)  
Tor Olav Bye-Andersen (appointed 9 January 2012)  
Nils Berger Johannessen (appointed 9 January 2012)  
Peter Lytzen (appointed 9 January 2012)

**Teekay Hummingbird Production Limited**  
**(formerly known as Sevan Production Services Limited)**

**Director's report for the year ended 31 December 2011 (continued)**

**Statement of director's responsibilities**

The director is responsible for preparing the Director's 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 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 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 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, in which case there should be supporting assumptions or qualifications as necessary.

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 or other irregularities.

**Disclosure of information to auditors**

The director who held office at the date of approval of this Director's report confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing their report"; and
- (b) the director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant information and to establish that the company's auditors are aware of that information.

**Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.



**Tor Olav Bye-Andersen**  
**Director**

14 December 2012

**Teekay Hummingbird Production Limited**  
**(formerly known as Sevan Production Services Limited)**

**Independent auditor's report to the shareholder of Teekay Hummingbird Production Limited (formerly known as Sevan Production Services Limited) (continued)**

We have audited the financial statements of Teekay Hummingbird Production Limited (formerly known as Sevan Production Services Limited) for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. 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).

**Respective responsibilities of directors and auditors**

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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**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 Director's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on 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 2011 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Teekay Hummingbird Production Limited  
(formerly known as Sevan Production Services Limited)**

**Independent auditor's report to the shareholder of Teekay Hummingbird  
Production Limited (formerly known as Sevan Production Services  
Limited) (continued)**

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.



Kevin Reynard (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Aberdeen

14 December 2012



**Teekay Hummingbird Production Limited**  
**(formerly known as Sevan Production Services Limited)**

**Profit and loss account for the year ended 31 December 2011**

	Note	2011 US\$	2010 US\$
Turnover		66,036,316	63,825,164
Cost of sales		(61,098,649)	(59,117,341)
Gross profit		4,937,667	4,707,823
Administrative expenses		(375,126)	(418,409)
Operating profit	4	4,562,541	4,289,414
Interest income	5	1,665,162	1,586,053
Interest expense and similar charges	6	(2,124,927)	(3,109,690)
Profit on ordinary activities before taxation		4,102,776	2,765,777
Tax on profit on ordinary activities	7	(165,062)	(12,661,968)
Profit/(loss) for the financial year		3,937,714	(9,896,191)

All items dealt with in arriving at the profit on ordinary activities before taxation relate to continuing operations.

The company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the profit on ordinary activities before taxation and the profit/(loss) for the financial year stated above and their historical cost equivalents.

**Teekay Hummingbird Production Limited**  
**(formerly known as Sevan Production Services Limited)**

**Balance sheet as at 31 December 2011**

	Note	2011 US\$	2010 US\$
<b>Non-current assets</b>			
Fixed assets	11	-	28,946
		-	28,946
<b>Current assets</b>			
Debtors	8	8,078,468	18,294,767
Cash at bank and in hand		4,883,254	2,483,980
		12,961,722	20,778,747
<b>Current liabilities</b>			
Creditors – amounts falling due within one year	9	(52,048,578)	(63,832,263)
<b>Net current liabilities</b>		(39,086,856)	(43,053,516)
<b>Total assets less current liabilities</b>		(39,086,856)	(43,024,570)
<b>Capital and reserves</b>			
Called up share capital	10	4,054,508	4,054,508
Profit and loss reserve – deficit	13	(43,141,364)	(47,079,078)
<b>Total shareholders' funds – deficit</b>	14	(39,086,856)	(43,024,570)

The financial statements on pages 7 to 18 were approved by the board of directors on 14 December 2012 and were signed by:



Tor Olav Bye-Andersen  
Director

Teekay Hummingbird Production Limited (formerly known as Sevan Production Services Limited)  
Registered no. SC294888

**Teekay Hummingbird Production Limited**  
**(formerly known as Sevan Production Services Limited)**

**Notes to the financial statements**  
**for the year ended 31 December 2011**

**1 Principal accounting policies**

**Basis of preparation**

These financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. These financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below:

**Going concern**

The company earned a profit after tax of US\$3,937,314 (2010: net loss of US\$9,896,191) during the financial year. At the balance sheet date, the company was in a net current liabilities position of US\$39,086,856 (2010: US\$43,053,516) and a net liabilities position of US\$39,086,856 (2010: US\$43,024,570). In addition to the company's ability to generate its own cash flow requirements from its operations, the company is dependent on financing provided by the holding corporation, Hummingbird L.L.C., to fulfil its operating, financing and investing cash flow requirements for the next 12 months from date of approval of these financial statements.

As of the date of approval of these financial statements, the Directors are of the view that the preparation of the financial statements of the company on a going concern basis is appropriate. Teekay Corporation has provided a letter of financial support stating that it will ensure that the company has sufficient funds to allow it to meet its obligations as they fall due for the foreseeable future.

**Turnover**

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied by the company. Turnover is recognised only when it is probable that the economic benefits associated with a transaction will flow to the company and the amount of revenue can be measured reliably.

**Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

**Foreign currencies**

The financial statements are presented in US Dollars, which is the functional currency of the company.

Transactions in foreign currencies are translated into US Dollars at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the rates of exchange ruling at that date. These translation differences are dealt with in the profit and loss account. The exchange rates used at the balance sheet date are:

	<u>£1:US\$</u>
2011 year-end	1.5490
2010 year-end	1.5484

**Teekay Hummingbird Production Limited**  
**(formerly known as Sevan Production Services Limited)**

**Notes to the financial statements**  
**for the year ended 31 December 2011 (continued)**

**1 Principal accounting policies (continued)**

**Basis of preparation (continued)**

***Tangible fixed assets***

Fixed assets are stated at historic cost less accumulated depreciation and accumulated impairment losses. The company has not used, and has no plans of utilising the revaluation option in FRS 15. Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives as follows:

Estimated useful lives

Computers

3 years

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The recoverability of assets to be held and used is measured by a comparison of the carrying value of an asset to estimated discounted future cash flows expected to be generated by the asset, if the carrying value of an asset exceeds its estimated discounted future cash flows, an impairment charge is recognised.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss as incurred.

***Trade debtors***

Trade debtors are recognised at fair value less provision for impairment. A provision for impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade debtor is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

***Leases***

***(a) When the company is the lessee:***

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

***(b) When the company is the lessor:***

Leases where the company retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the profit and loss account on a straight-line basis over the lease term.

**Teekay Hummingbird Production Limited**  
**(formerly known as Sévan Production Services Limited)**

**Notes to the financial statements**  
**for the year ended 31 December 2011 (continued)**

**1 Principal accounting policies (continued)**

*Borrowing costs*

Borrowing costs are recognised in the profit and loss account using the effective interest method.

*Taxation including deferred tax*

Corporation tax payable is provided on taxable profits at current rate of taxation of 26.49%.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax is measured on a non-discounted basis.

*Share-based payments*

The company's ultimate parent undertaking, Teekay Corporation, operates an employee share option scheme. The fair value of the employee services received in exchange for the grant of the options in respect of shares is recognised as an expense by the company. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the company's profit and loss account, with a corresponding adjustment to equity over the remaining vesting period. Full details of the scheme can be found in the consolidated financial statements of Teekay Corporation.

**2 Cash flow statement and related party disclosures**

As at 31 December 2011, the company was a wholly-owned subsidiary of Teekay Corporation. The cash flows of the company are included in the consolidated financial statements of Teekay Corporation, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Teekay Corporate group or investees of the Teekay Corporate group.

**Teekay Hummingbird Production Limited**  
**(formerly known as Sevan Production Services Limited)**

**Notes to the financial statements**  
**for the year ended 31 December 2011 (continued)**

**3 Director's emoluments**

No remuneration was paid to or waived by the director for their services to this company in 2011 (2010: US\$nil).

**4 Operating profit**

	2011 US\$	2010 US\$
Operating profit is stated after charging		
Auditors' remuneration – audit of the company's accounts	30,767	75,314
Exchange loss	581	78,382
Operating lease charges – bareboat lease	19,415,396	20,386,109

**5 Interest income**

	2011 US\$	2010 US\$
Other interest income	43	1,354
Interest income from group companies	1,665,119	1,584,699
	1,665,162	1,586,053

**Teekay Hummingbird Production Limited**  
**(formerly known as Sevan Production Services Limited)**

**Notes to the financial statements**  
**for the year ended 31 December 2011 (continued)**

**6 Interest expense and similar charges**

	2011 US\$	2010 US\$
Bank interest	3,803	3,773
Interest paid to vendors & others	32,266	37,469
Interest cost to group companies	2,088,858	3,068,448
	2,124,927	3,109,690

**7 Tax on profit on ordinary activities**

	2011 US\$	2010 US\$
<b>Current tax</b>		
Withholding tax charge	165,051	158,469
UK corporation tax on profits of the period	11	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(619,987)
Changes in tax rates or laws	-	490,514
Write down of deferred tax assets	-	12,632,972
Tax on profit on ordinary activities	165,062	12,661,968

**Teekay Hummingbird Production Limited**  
**(formerly known as Sevan Production Services Limited)**

**Notes to the financial statements**  
**for the year ended 31 December 2011 (continued)**

**7 Tax on profit on ordinary activities (continued)**

The tax assessed for the period is lower than the standard rate applicable in the UK (26%). The differences are explained below:

	2011 US\$	2010 US\$
Profit on ordinary activities before tax	4,102,776	2,765,777
Profit on ordinary activities at the UK tax rate of 26.49% (2010: 28%)	1,086,825	774,418
Effects of:		
Higher tax rates on overseas earnings	121,328	6,996
Expenses not deductible for tax purposes	120,450	10,572
Utilisation of tax losses	(1,171,209)	-
Accelerated capital allowances	7,668	5,353
Other timing differences	-	(638,870)
Total current tax charge (see above)	165,062	158,469

On 22 June 2010, the UK Government announced a phased reduction in the main UK corporation tax rate from 28% to 24%, with the first 1% reduction taking effect from 1 April 2011 (having been substantively enacted on 20 July 2010). The March 2011 UK Budget Statement announced an additional 1% reduction in the main UK corporation tax rate to 26% taking effect from 1 April 2011. The March 2012 UK Budget Statement announced a further 1% reduction, taking effect from 1 April 2012.

After the balance sheet date, the second 1% reduction to 24% from 1 April 2012 and the further 1% reduction to 23% from 1 April 2013 had not been substantively enacted. Therefore, at 31 December 2011, deferred tax assets and liabilities have been calculated based on a rate of 25% where the timing difference is expected to reverse after 1 April 2012.

The further 1% reduction to 24% was substantively enacted in March 2012 along with a further reduction to 23% on 3 July 2012 with the remaining proposed reduction of the main rate of corporation tax to 22% from 1 April 2014 expected to be enacted in 2013. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profit is probable. In 2010, the company derecognised deferred income tax assets of US\$12,632,972 because there was insufficient evidence to support that there will be sufficient taxable profits against which the assets will be utilised. This is subject to review by management on a continuous basis. In 2011, the company has unrecognised deferred income tax assets of US\$10,493,754 in respect of losses and allowances amounting to US\$41,975,018 at the balance sheet date that can be carried forward against future taxable income. However we are in negotiation with HM Inspector about the tax returns for 2008 and 2009, and it is possible that the amount of losses and allowances will be reduced as part of agreeing the tax returns.



**Teekay Hummingbird Production Limited**  
**(formerly known as Sevan Production Services Limited)**

**Notes to the financial statements**  
**for the year ended 31 December 2011 (continued)**

**8 Debtors**

	2011 US\$	2010 US\$
<b>Amounts falling due in less than one year</b>		
Trade debtors	306,822	5,356,872
Amounts owed by former group undertakings	-	8,014,041
Unbilled revenue	7,754,266	4,482,931
Other receivables	17,380	440,923
	<b>8,078,468</b>	<b>18,294,767</b>

Amounts owed by group undertakings are unsecured, bear interest at LIBOR + 4% and LIBOR + 4.5% and have no fixed date of repayment and are repayable on demand.

**9 Creditors**

	2011 US\$	2010 US\$
<b>Amounts falling due in less than one year;</b>		
Trade creditors	197,426	2,959,465
Amounts due to group undertakings	45,239,390	58,455,578
Accruals and deferred income	6,611,762	2,417,220
	<b>52,048,578</b>	<b>63,832,263</b>

Group undertakings refer to related corporations/entities of the ultimate holding corporation (Note 17).

The amounts due to other group undertakings are unsecured, bear interest at LIBOR + 4.5% and have no fixed date of repayment and are repayable on demand.

**10 Called-up share capital**

	2011 US\$	2010 US\$
<b>Authorised</b>		
- 2,001,000 (2010: 2,001,000) ordinary shares of £1	4,056,466	4,056,466
<b>Allotted, called up and fully paid</b>		
- 2,000,001 (2010: 2,000,001) ordinary shares of £1	4,054,508	4,054,508

**Teekay Hummingbird Production Limited**  
**(formerly known as Sevan Production Services Limited)**

**Notes to the financial statements**  
**for the year ended 31 December 2011 (continued)**

**11 Fixed assets**

	<b>Computers US\$</b>	<b>Total US\$</b>
<b>Cost</b>		
At 1 January 2011	74,081	74,081
Additions	-	-
<b>At 31 December 2011</b>	<b>74,081</b>	<b>74,081</b>
<b>Accumulated depreciation</b>		
At 1 January 2011	45,135	45,135
Charge for the year	28,946	28,946
<b>At 31 December 2011</b>	<b>74,081</b>	<b>74,081</b>
<b>Net book amount</b>		
<b>At 31 December 2011</b>	<b>-</b>	<b>-</b>
At 31 December 2010	28,946	28,946

**Teekay Hummingbird Production Limited**  
**(formerly known as Sevan Production Services Limited)**

**Notes to the financial statements**  
**for the year ended 31 December 2011 (continued)**

**12 Share based payments**

**Executive share options**

The company participated in the Sevan Marine Group (the previous ultimate holding corporation) executive share option scheme which grants options to eligible employees, up until the company was taken over by Teekay Corporation during the current financial year. After the takeover, the company participates in the Teekay Corporation (the new ultimate holding corporation) executive share option scheme which grants options to eligible employees.

For the financial years ended 31 December 2011 and 2010, there is no share option granted to the employees of the company and therefore there is no share option charge recorded as of those dates. There is no employee under employment of the company as the company's administrative support is provided and charged by a related corporation and ultimate holding corporation.

**13 Profit and loss reserve - deficit**

	2011 US\$	2010 US\$
At 1 January	(47,079,078)	(37,182,887)
Profit/(Loss) for the financial year	3,937,714	(9,896,191)
At 31 December - deficit	(43,141,364)	(47,079,078)

**14 Reconciliation of movements in equity shareholder's deficit**

	2011 US\$	2010 US\$
At 1 January	(43,024,570)	(33,128,379)
Profit/(Loss) for the financial year	3,937,714	(9,896,191)
At 31 December - deficit	(39,086,856)	(43,024,570)

**Teekay Hummingbird Production Limited**  
**(formerly known as Sevan Production Services Limited)**

**Notes to the financial statements**  
**for the year ended 31 December 2011 (continued)**

**15 Financial commitments**

At 31 December 2011 the company had annual commitments under a non-cancellable operating lease with a third party customer expiring as follows:

	2011 US\$	2010 US\$
Within one year	25,550,000	-
Within two to five years	25,550,000	25,550,000
	51,100,000	25,550,000

**16 Post balance sheet events**

On 13 February 2012, the company changed its name to Teekay Hummingbird Production Limited.

**17 Ultimate holding company and controlling party**

The immediate parent undertaking is Teekay Hummingbird General Partnership (formerly known as Sevan Production General Partnership), 350 Orchard Road, #15-08 Shaw House, Singapore 238868, which has a 100% interest in the equity capital of the company.

During the financial year, there was a change in ownership of the Company. Previously, the ultimate holding corporation was Sevan Marine ASA. With effect from 1 December 2011, the ultimate parent undertaking and controlling party is Teekay Corporation, a company registered in the Marshall Islands. The directors regard Teekay Corporation as the ultimate controlling party by virtue of their 100% indirect interest in the equity capital of Teekay Hummingbird General Partnership. Copies of Teekay Corporation's consolidated financial statements can be obtained from the parent company's Secretary at 4th floor, Belvedere Building, 69 Pitts Bay Road, Hamilton, HM 08, Bermuda.