

Registered No: SC109608

COMPANIES HOUSE

29 SEP 2017

EDINBURGH MAILBOX

Petrofac Facilities Management Group Limited

Report and Financial Statements

31 December 2016

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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 2016.

Principal activities and review of the business

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

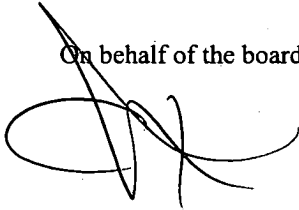
The company's subsidiaries and their activities are listed in note 4 to the financial statements.

The investment in Petrofac Facilities Management Limited has been impaired by £47,867,000 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 text 'On behalf of the board'.

C Thompson
Director
28 September 2017

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.

Results and dividends

The loss for the year, after taxation, amounted to £47,876,000 (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, 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

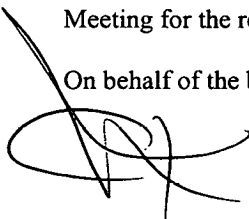
The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- 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
28 September 2017

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.

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 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 8. 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 2016 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, based on the work undertaken in the course of the audit:

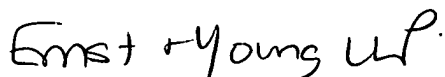
- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.



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

29 September 2017

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	(47,867)	(120,670)
Loss on ordinary activities before taxation		(47,867)	(120,670)
Tax charge on loss on ordinary activities		-	-
Loss for the financial year		(47,867)	(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	(47,867)	(120,670)
Total comprehensive loss for the year	(47,867)	(120,670)

Petrofac Facilities Management Group Limited

Statement of changes in equity

For the year ended 31 December 2016

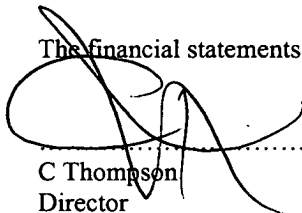
	<i>Share capital £000</i>	<i>Share premium £000</i>	<i>Capital redemption reserve £000</i>	<i>Profit and loss account £000</i>	<i>Total Equity £000</i>
At 1 January 2015	32,073	690	224	(12,450)	20,537
Issue of share capital	300,000	-	-	-	300,000
Loss for the financial year	-	-	-	(120,670)	(120,670)
At 31 December 2015	332,073	690	224	(133,120)	199,867
Loss for the financial year	-	-	-	(47,867)	(47,867)
At 31 December 2016	332,073	690	224	(180,987)	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	332,073	332,073
Share premium account		690	690
Capital redemption reserve		224	224
Profit and loss account		<u>(180,987)</u>	<u>(133,120)</u>
Total equity		<u>152,000</u>	<u>199,867</u>

The financial statements were approved for issue by the board on 28 September 2017.


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 28 September 2016 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

	2016
	£000
<i>Cost:</i>	
At 1 January 2016 and 31 December 2016	336,200
<i>Amounts provided:</i>	
At 1 January 2016	(133,670)
Provision for impairment	(47,867)
At 31 December 2016	(181,537)
Net book value at 31 December 2016	154,663
Net book value at 1 January 2016	202,530

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
	Deferred £1 shares			
Scotvalve Services Limited**	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) Provision for impairment

The investment in Petrofac Facilities Management Limited has been impaired by £47,867,000 in the year.

Petrofac Facilities Management Group Limited

Notes to the financial statements

at 31 December 2016

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	110,691	110,691	332,073	332,073
<i>Allotted, called up and fully paid</i>				
Ordinary £3 shares	110,691	110,691	332,073	332,073

8. 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.