

**Report of the Directors and
Audited Financial Statements
for the Year Ended 31 December 2015
for
ABS Group Limited**



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for the Year Ended 31 December 2015**

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ABS Group Limited
Company Information
for the Year Ended 31 December 2015

DIRECTORS: D A Walker
T Grove

SECRETARIES: M Mannix
Ms S Barton

REGISTERED OFFICE: EQE House, The Beacons
Warrington Road
Birchwood
Warrington
Cheshire
WA3 6WJ

REGISTERED NUMBER: 02562245

AUDITORS: Ernst & Young LLP, Registered Auditor
25 Churchill Place
Canary Wharf
London
E14 5EY

BANKERS: Barclays Bank plc
PO Box 35721, Level 27
One Churchill Place
London
E14 5HP

**Report of the Directors
for the Year Ended 31 December 2015**

The Directors present their report with the financial statements of the Company for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

The Company's principal activities in the year under review were providing third party inspection, verification, quality consulting and other technical services. The results for the year are set out on page 6 of the financial statements. During the year the Company operated through branches in the UK, Germany, Italy, France, Spain, the Netherlands, Denmark and Greece.

DIRECTORS

The Director shown below has held office during the whole of the period from 1 January 2015 to the date of this report.

D A Walker

Other changes in directors holding office are as follows:

T Grove was appointed as a director on 1 May 2015.

D R Weinstein ceased to be a director on 10 April 2015.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Directors 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 the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities). 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;
- 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Ernst & Young LLP are deemed to be reappointed in accordance with an elective resolution made under section 386 of The Companies Act 1985 which continues in force under the Companies Act 2006.

ABS Group Limited (Registered number: 02562245)

Report of the Directors
for the Year Ended 31 December 2015

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
M Mannix - Secretary

Date: 29 November 2016

**Report of the Independent Auditors to the Members of
ABS Group Limited (Registered number: 02562245)**

We have audited the financial statements of ABS Group Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 a Report of the Auditors 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 of the Directors 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 acquired by us in the course of performing the audit. 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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
ABS Group Limited (Registered number: 02562245)**

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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Giles Watson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Registered Auditor
25 Churchill Place
Canary Wharf
London
E14 5EY

Date: 30th December 2016

ABS Group Limited (Registered number: 02562245)

**Profit and Loss Account
for the Year Ended 31 December 2015**

	Notes	2015 £	2014 £
TURNOVER	3	3,737,765	5,255,570
Cost of sales		<u>(2,962,610)</u>	<u>(3,826,497)</u>
GROSS PROFIT		775,155	1,429,073
Administrative expenses		<u>(1,156,460)</u>	<u>(1,065,255)</u>
OPERATING (LOSS)/PROFIT	4	(381,305)	363,818
Interest payable and similar charges		-	<u>(78,760)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(381,305)	285,058
Tax on (loss)/profit on ordinary activities	6	<u>(191,965)</u>	<u>42,160</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u><u>(573,270)</u></u>	<u><u>327,218</u></u>

The notes form part of these financial statements

ABS Group Limited (Registered number: 02562245)

**Statement of Total Recognised Gains and Losses
for the Year Ended 31 December 2015**

	2015 £	2014 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(573,270)	327,218
Currency translation adjustments	<u>32,505</u>	<u>(189,124)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>(540,765)</u></u>	<u><u>138,094</u></u>

The notes form part of these financial statements


ABS Group Limited (Registered number: 02562245)

Balance Sheet
31 December 2015

	Notes	2015		2014	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		7,545		6,856
Investments	9		-		-
			<u>7,545</u>		<u>6,856</u>
CURRENT ASSETS					
Deferred tax	10	129,145		355,892	
Debtors	11	20,996,857		16,497,360	
Cash at bank		318,936		188,036	
		<u>21,444,938</u>		<u>17,041,288</u>	
CREDITORS					
Amounts falling due within one year	12	22,462,122		17,501,340	
			<u>(1,017,184)</u>		<u>(460,052)</u>
NET CURRENT LIABILITIES					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>(1,009,639)</u>		<u>(453,196)</u>
PROVISIONS FOR LIABILITIES					
	13		153,100		168,778
NET LIABILITIES					
			<u><u>(1,162,739)</u></u>		<u><u>(621,974)</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		1,766,682		1,766,682
Profit and loss account	15		(2,929,421)		(2,388,656)
SHAREHOLDERS' FUNDS					
			<u><u>(1,162,739)</u></u>		<u><u>(621,974)</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Directors on 29 November 2016 and were signed on its behalf by:


T. Grove - Director

Notes to the Financial Statements
for the Year Ended 31 December 2015

1. **GOING CONCERN**

The financial statements have been prepared on a going concern basis, notwithstanding the deficit on net assets. In the general interests of the Company, the parent company ABS Group Inc. has undertaken to continue to provide financial and other support to ABS Group Limited for at least the next 12 months from the signing of these accounts and thereafter for the foreseeable future to enable it to continue to trade.

2. **ACCOUNTING POLICIES**

Basis of preparation

As the Company is a wholly owned subsidiary of The American Bureau of Shipping, the Company has taken advantage of the exemption contained in Financial Reporting Standard (FRS) 8: 'Related Party Disclosures' and has therefore not disclosed transactions or balances with other group companies or investees of the group qualifying as related parties. The American Bureau of Shipping produces consolidated financial statements, the address of the company can be found within note 17.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Preparation of consolidated financial statements

The financial statements contain information about ABS Group Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the Company qualifies as a small company.

Turnover

Turnover, which is stated net of value added tax, represents the value of services provided to clients during the year, after provision for contingencies and anticipated future losses on contracts, including amounts not invoiced. The turnover and pre-tax profit is attributable to the provision of third party inspection, verification, quality consulting and other technical services to a broad range of clients in the energy sector.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer equipment	-	over lower of 3 to 5 years or the lease term
Fixtures and fittings	-	10% Straight line

Deferred tax

A deferred tax asset is recognised in the accounts when there is reasonable certainty that at least some of the brought forward losses will be offset by future profits.

The charge for taxation is based on the profit for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

2. ACCOUNTING POLICIES - continued

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the Profit and Loss Account.

Assets and liabilities in overseas branches are translated into Sterling at the rates of exchange ruling at the balance sheet date. Profit and Loss Accounts of such branches are translated at the average rates of exchange during the year. Any differences are taken to reserves and included in the Statement of Total Recognised Gains and Losses.

Intercompany balances are treated as monetary assets or liabilities. The revaluation of prior year balances is included in the Statement of Total Recognised Gains and Losses.

Pensions

The Company operates a defined contribution pension scheme. Contributions to this scheme are charged to the Profit and Loss Account as they become payable in accordance with the rules of the scheme.

One employee participates in a defined benefit pension scheme operated by another group company, ABS Europe Limited, providing benefits based on final pensionable pay. The assets of the scheme are held in separate trustee administered funds. Contributions have been paid by ABS Group Limited to ABS Europe Limited. The required disclosure regarding these costs is included in the financial statements of ABS Europe Limited. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Profit and Loss Account represents the contributions payable to the scheme in respect of the accounting period.

Long term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the Profit and Loss Account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Payments on account in excess of turnover recognised are included in creditors within accruals and deferred income.

Investments

Investments are valued at the lower of cost and net realisable value.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

3. **TURNOVER**

The turnover and loss (2014 - profit) before taxation are attributable to the one principal activity of the Company.

An analysis of turnover by geographical market is given below:

	2015	2014
UK	24.76%	47.73%
Europe	56.59%	43.06%
Rest of World	18.65%	9.21%
	<u>100.00%</u>	<u>100.00%</u>

4. **OPERATING (LOSS)/PROFIT**

The operating loss (2014 - operating profit) is stated after charging:

	2015	2014
	£	£
Depreciation - owned assets	3,143	2,600
Foreign exchange differences	63,274	-
Pension costs	84,307	38,960
	<u>150,724</u>	<u>41,560</u>
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

5. **AUDITORS' REMUNERATION**

	2015	2014
	£	£
Fees payable to the Company's auditor for the audit of the Company's financial statements	<u>15,135</u>	<u>30,894</u>

6. **TAXATION**

Analysis of the tax charge/(credit)

The tax charge/(credit) on the loss on ordinary activities for the year was as follows:

	2015	2014
	£	£
Current tax:		
Prior year corporation tax	-	(3,000)
Overseas tax	14,218	3,767
Group relief	(49,000)	-
Total current tax	<u>(34,782)</u>	<u>767</u>
Deferred tax	<u>226,747</u>	<u>(42,927)</u>
Tax on (loss)/profit on ordinary activities	<u>191,965</u>	<u>(42,160)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

6. TAXATION - continued

Factors affecting the tax charge/(credit)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	(381,305)	285,058
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.250% (2014 - 21.500%)	(77,214)	61,287
Effects of:		
Expenses not deductible for tax purposes	(1,098)	(1,622)
Adjustments to tax charge in respect of previous periods	-	(3,000)
Capital allowances in excess of depreciation	(1,012)	(666)
Creation/(utilisation) of tax losses	33,774	(58,064)
Other timing differences	(3,973)	(935)
Overseas tax	14,218	3,767
Other tax differences	523	-
Current tax charge/(credit)	(34,782)	767

Factors that may affect future tax charges

The Company has a recognised deferred tax asset of £129,145 (2014: £355,892) in respect of tax losses, accelerated capital allowances and other timing differences and an unrecognised deferred tax asset of £427,410 (2014: £201,522) in respect of tax losses.

Finance Act 2014 confirmed the reduction in the main rate of corporation tax to a uniform rate of 20% with effect from 1 April 2015 and Finance (no2) Act 2015 confirmed a further reduction to 19% with effect from 1 April 2017. The effect of these reductions is reflected in the recognised deferred tax asset of £129,145 and the unrecognised deferred tax asset of £427,410.

7. REMUNERATION OF DIRECTORS

The Directors spend the majority of their time managing other entities within the ABS group of companies. There was no remuneration from other entities recharged to the Company during 2015.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2015	101,121	38,732	139,853
Additions	-	4,508	4,508
Exchange differences	(5,544)	(1,313)	(6,857)
At 31 December 2015	<u>95,577</u>	<u>41,927</u>	<u>137,504</u>
DEPRECIATION			
At 1 January 2015	96,697	36,300	132,997
Charge for year	1,542	1,601	3,143
Exchange differences	(5,054)	(1,127)	(6,181)
At 31 December 2015	<u>93,185</u>	<u>36,774</u>	<u>129,959</u>
NET BOOK VALUE			
At 31 December 2015	<u>2,392</u>	<u>5,153</u>	<u>7,545</u>
At 31 December 2014	<u>4,424</u>	<u>2,432</u>	<u>6,856</u>

9. FIXED ASSET INVESTMENTS

The Company's investments at the Balance Sheet date in the share capital of companies include the following:

ABS Consulting (Hellas)

Country of incorporation: Greece

Nature of business: Non-trading

Class of shares:	% holding
Ordinary	100.00

The cost (£106,000) of the investment in ABS Consulting (Hellas) has been fully provided.

ABS Group Limited (Registered number: 02562245)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

10. DEFERRED TAX

	2015	2014
	£	£
Deferred tax	<u>129,145</u>	<u>355,892</u>
Balance as at 1 January 2015		£ 355,892
Credit/(charge) to profit and loss during the year		<u>(226,747)</u>
Balance as at 31 December 2015		<u>129,145</u>

The recognised deferred tax asset of £129,145 (2014: £355,892) comprises:

	2015	2014
	£	£
Accelerated capital allowances	1,033	2,088
Other short term timing differences	29,089	34,544
Unrelieved trading losses	99,023	319,260
	<u>129,145</u>	<u>355,892</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade debtors	857,811	864,774
Amounts owed by group undertakings	19,968,174	13,642,971
Amounts recoverable on contracts	34,690	1,724,951
Other debtors	136,182	264,664
	<u>20,996,857</u>	<u>16,497,360</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	57,029	154,108
Amounts owed to group undertakings	21,696,060	16,908,056
Social security and other taxes	117,056	144,991
Accruals and deferred income	591,977	294,185
	<u>22,462,122</u>	<u>17,501,340</u>

13. PROVISIONS FOR LIABILITIES

	2015	2014
	£	£
Other provisions		
Severance provision	<u>153,100</u>	<u>168,778</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

13. PROVISIONS FOR LIABILITIES - continued

	Other provisions £
Balance at 1 January 2015	168,778
Exchange adjustments	<u>(15,678)</u>
Balance at 31 December 2015	<u>153,100</u>

Provisions have been made for: the severance payment to the two employees of the Italian branch (£3,087) as is required under Italian employment law; and for the purchase of a pension scheme for the three active employees of the Spanish branch.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2015	2014
Number:	Class:	Nominal value:	£	£
1,766,682	Ordinary	£1	<u>1,766,682</u>	<u>1,766,682</u>

15. RESERVES

	Profit and loss account £
At January 2015	(2,388,656)
Loss for the year	(573,270)
Exchange adjustments	<u>32,505</u>
At December 2015	<u>(2,959,421)</u>

16. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The total pension cost for the year was £84,307 (2014: £38,960). Contributions unpaid but accrued at the balance sheet date were £5,538 (2014: £5,026).

One employee of the Company is a member of a defined benefit pension scheme providing benefits based on final pensionable pay operated by the immediate parent company, ABS Europe Limited. The employer pension costs have been paid by ABS Group Limited to ABS Europe Limited. The appropriate disclosures regarding these costs are included in the financial statements of ABS Europe Limited.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

17. ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of The American Bureau of Shipping, an entity incorporated by special statute in the United States of America.

The largest group in which the results of the Company are consolidated is that headed by The American Bureau of Shipping. The consolidated financial statements are available from the following address:

ABS Plaza
16855 North Chase Drive
Houston
TX 77060
USA

The smallest group in which they are consolidated is that headed by ABS Europe Limited, a company incorporated in the United Kingdom. The consolidated financial statements are available from the following address:

ABS Europe Limited
No.1 Frying Pan Alley
London
E1 7HR
United Kingdom

18. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

19. ULTIMATE CONTROLLING PARTY

The American Bureau of Shipping is the Company's ultimate controlling party by virtue of its indirect holding of 100% of the Company's issued share capital.

ABS Europe Limited is the Company's controlling party by virtue of its direct holding of 99.99% of the Company's issued share capital. Voting rights follow the shareholdings.