

**Report of the Directors and
Audited Financial Statements
for the Year Ended 31 December 2016
for
ABS Group Limited**

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for the Year Ended 31 December 2016**

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ABS Group Limited
Company Information
for the Year Ended 31 December 2016

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 (England and Wales)
AUDITORS:	Ernst & Young LLP, Statutory Auditor Leeds
BANKERS:	Citibank Canada Square Canary Wharf London E14 5LB

**Report of the Directors
for the Year Ended 31 December 2016**

The Directors present their report with the financial statements of the Company for the year ended 31 December 2016.

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 Directors shown below has held office during the whole of the period from 1 January 2016 to the date of this report.

D A Walker
T Grove

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 ABSG Consulting 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.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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

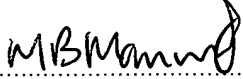
Ernst & Young LLP are deemed to be reappointed in accordance with an elective resolution made under section 386 of The Companies Act 1985 which continues in force under the Companies Act 2006.

ABS Group Limited (Registered number: 02562245)

**Report of the Directors
for the Year Ended 31 December 2016**

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: 26 September 2017

**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 2016 which comprise the Income Statement, Statement of Other Comprehensive Income, the Balance Sheet and the related notes 1 to 20. 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 FRS 102 'The Financial Reporting standard applicable in the UK and Republic of Ireland'.

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 Statement of Directors' Responsibilities set out on page 2, 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 2016 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, based on the work undertaken in the course of our audit, 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, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment, we have not identified any material misstatements in the Report of the Directors.

**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

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 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.

Ernst & Young LLP.

Giles Watson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds

Date:

29 September 2017

ABS Group Limited (Registered number: 02562245)

**Income Statement
for the Year Ended 31 December 2016**

	Notes	2016 £	2015 £
TURNOVER	4	4,183,353	3,737,765
Cost of sales		<u>(3,539,515)</u>	<u>(2,962,610)</u>
GROSS PROFIT		643,838	775,155
Administrative expenses		<u>(1,196,548)</u>	<u>(1,156,459)</u>
OPERATING LOSS	6	(552,710)	(381,304)
Interest receivable and similar income		<u>195</u>	<u>-</u>
LOSS BEFORE TAXATION		(552,515)	(381,304)
Tax on loss	8	<u>129,961</u>	<u>(191,965)</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(422,554)</u></u>	<u><u>(573,269)</u></u>

The notes form part of these financial statements

ABS Group Limited (Registered number: 02562245)

**Statement of Other Comprehensive Income
for the Year Ended 31 December 2016**

Notes	2016 £	2015 £
LOSS FOR THE YEAR	(422,554)	(573,269)
OTHER COMPREHENSIVE (LOSS)/INCOME		
Currency translation adjustments	(417,734)	32,505
Income tax relating to other comprehensive (loss)/income	-	-
	<u> </u>	<u> </u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF INCOME TAX	<u>(417,734)</u>	<u>32,505</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u><u>(840,288)</u></u>	<u><u>(540,764)</u></u>

The notes form part of these financial statements

ABS Group Ltd. (Registered number: 02562245)

Balance Sheet
31 December 2016

	Notes	2016		2015	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		5,529		7,545
Investments	11		-		-
			<u>5,529</u>		<u>7,545</u>
CURRENT ASSETS					
Deferred tax	12	202,582		129,145	
Debtors	13	26,259,896		20,996,857	
Cash at bank		383,226		318,936	
		<u>26,845,704</u>		<u>21,444,938</u>	
CREDITORS					
Amounts falling due within one year	14	28,666,034		22,462,122	
			<u>(1,820,330)</u>		<u>(1,017,184)</u>
NET CURRENT LIABILITIES					
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,814,801)</u>		<u>(1,009,639)</u>
PROVISIONS FOR LIABILITIES					
	15		188,226		153,100
NET LIABILITIES					
			<u>(2,003,027)</u>		<u>(1,162,739)</u>
CAPITAL AND RESERVES					
Called up share capital	16		1,766,781		1,766,781
Retained earnings	17		(3,769,808)		(2,929,520)
SHAREHOLDERS' FUNDS					
			<u>(2,003,027)</u>		<u>(1,162,739)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 26 September 2017 and were signed on its behalf by:


.....
D A Walker - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2016

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 ABSG Consulting 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. **STATUTORY INFORMATION**

ABS Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

3. **ACCOUNTING POLICIES**

Basis of preparation

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling (£).

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.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

The consolidated financial statements of the American Bureau of Shipping, within which this Company is included, can be obtained from the address given in note 19.

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

3. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

Intercompany balances are treated as monetary assets or liabilities and in accordance with Financial Reporting Standard 102 section 30: 'Foreign Currency Translation'. The revaluation of prior year balances is included in other comprehensive income.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

3. ACCOUNTING POLICIES - continued

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.

4. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the Company.

An analysis of turnover by geographical market is given below:

	2016	2015
UK	6.81%	24.76%
Europe	61.04%	56.59%
Rest of World	32.15%	18.65%
	<u>100.00%</u>	<u>100.00%</u>

5. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 14.

6. OPERATING LOSS

The operating loss is stated after charging:

	2016	2015
	£	£
Depreciation - owned assets	3,701	3,143
Foreign exchange differences	26,193	63,274
Pension costs	78,285	84,307
	<u>108,179</u>	<u>150,724</u>

7. AUDITORS' REMUNERATION

	2016	2015
	£	£
Fees payable to the Company's auditor for the audit of the Company's financial statements	<u>13,560</u>	<u>15,135</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

8. TAXATION

Analysis of the tax (credit)/charge

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

	2016 £	2015 £
Current tax:		
Prior year corporation tax	(523)	-
Overseas tax	-	14,218
Group relief	(56,000)	(49,000)
Total current tax	<u>(56,523)</u>	<u>(34,782)</u>
Deferred tax:		
Origination and reversal of timing differences	(77,180)	222,066
Impact of rate changes	3,742	4,681
Total deferred tax	<u>(73,438)</u>	<u>226,747</u>
Tax on loss	<u>(129,961)</u>	<u>191,965</u>

Reconciliation of total tax (credit)/charge included in profit and loss

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

	2016 £	2015 £
Loss before tax	<u>(552,515)</u>	<u>(381,304)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.250%)	(110,503)	(77,214)
Effects of:		
Expenses not deductible for tax purposes	(1,175)	(1,098)
Adjustments to tax charge in respect of previous periods	(523)	-
Overseas tax	-	14,218
Movement in unrecognised deferred tax	(21,502)	251,378
Impact of rate changes	3,742	4,681
Total tax (credit)/charge	<u>(129,961)</u>	<u>191,965</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2016 Tax £	Net £
Currency translation adjustments	<u>(417,734)</u>	<u>-</u>	<u>(417,734)</u>
	Gross £	2015 Tax £	Net £
Currency translation adjustments	<u>32,505</u>	<u>-</u>	<u>32,505</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

8. **TAXATION - continued**

The tax rate for the period was 20%, with reductions to 19% and 17% on 1 April 2017 and 1 April 2020 respectively enacted into legislation. The Company has gross tax losses carried forward of £3,012,458, of which £1,057,000 are recognised for deferred tax purposes.

It is uncertain how much of the accelerated capital allowances will unwind in the following 12 month period, however it is expected that £318,000 of the carried forward losses will be utilised during 2017 (with tax value £61,254).

9. **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 and 2016.

10. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2016	95,577	41,927	137,504
Additions	-	724	724
Exchange differences	9,355	2,491	11,846
	<hr/>	<hr/>	<hr/>
At 31 December 2016	104,932	45,142	150,074
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 January 2016	93,185	36,774	129,959
Charge for year	1,764	1,937	3,701
Exchange differences	8,853	2,032	10,885
	<hr/>	<hr/>	<hr/>
At 31 December 2016	103,802	40,743	144,545
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 December 2016	1,130	4,399	5,529
	<hr/>	<hr/>	<hr/>
At 31 December 2015	2,392	5,153	7,545
	<hr/>	<hr/>	<hr/>

11. **FIXED ASSET INVESTMENTS**

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

ABS Consulting (Hellas)

Registered office: 35, Spetson Street, Voula 16673, Athens, Greece
Nature of business: Non-trading

Class of shares:	%
Ordinary	holding 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 2016**

12. DEFERRED TAX

	£
Balance as at 1 January 2016	129,145
Credit/(charge) to profit and loss during the year	73,437
	<hr/>
Balance as at 31 December 2016	202,582
	<hr/> <hr/>

The recognised deferred tax asset of £202,582 (2015: £129,145) comprises:

	2016	2015
	£	£
Accelerated capital allowances	1,033	1,033
Other short term timing differences		29,089
Unrelieved trading losses	201,549	99,023
	<hr/>	<hr/>
	202,582	129,145
	<hr/> <hr/>	<hr/> <hr/>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	1,118,975	857,811
Amounts owed by group undertakings	25,041,202	19,968,174
Amounts recoverable on contracts	55,300	34,690
Other debtors	44,419	136,182
	<hr/>	<hr/>
	26,259,896	20,996,857
	<hr/> <hr/>	<hr/> <hr/>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	249,624	57,029
Amounts owed to group undertakings	27,272,071	21,696,060
Social security and other taxes	49,279	117,056
Accruals and deferred income	1,095,060	591,977
	<hr/>	<hr/>
	28,666,034	22,462,122
	<hr/> <hr/>	<hr/> <hr/>

15. PROVISIONS FOR LIABILITIES

	2016	2015
	£	£
Other provisions	188,226	153,100
	<hr/>	<hr/>

	Other provisions
	£
Balance at 1 January 2016	153,100
Severance provisions	3,326
Exchange adjustments	31,800
	<hr/>
Balance at 31 December 2016	188,226
	<hr/> <hr/>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

15. **PROVISIONS FOR LIABILITIES - continued**

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.

16. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal	2016	2015
Number:	Class:	value:	£	£
1,766,781	Ordinary	£1	<u>1,766,781</u>	<u>1,766,781</u>

17. **RESERVES**

	Retained earnings £
At 1 January 2016	(2,929,520)
Loss for the year	(422,554)
Exchange adjustment	(417,734)
At 31 December 2016	<u>(3,769,808)</u>

18. **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 £78,285 (2015: £84,307). Contributions unpaid but accrued at the balance sheet date were £16,446 (2015: £5,538).

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 2016**

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.

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

20. FIRST YEAR ADOPTION

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 section 1a (FRS 102 section 1a) issued by the Financial Reporting Council.

The last financial statements under previous UK GAAP were for the year ended 31 December 2015 and the date of transition to FRS 102 section 1a was therefore 1 January 2015. There were no accounting policy changes to comply with that standard as a consequence of adopting FRS 102 section 1a.