
Maersk Supply Service West Africa A/S

Esplanaden 50, DK-1098 Copenhagen K

Annual Report for 1 January - 31 December 2015

CVR No 35 23 95 10

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
24/5 2016

Ida Marie Schydt
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Maersk Supply Service West Africa A/S for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 24 May 2016

Executive Board

Søren Torp Nielsen

Board of Directors

Søren Karas
Chairman

Claus Tafteberg Sørensen

Kasper Mahon Andreasen

Independent Auditor's Report on the Financial Statements

To the Shareholder of Maersk Supply Service West Africa A/S

Report on the Financial Statements

We have audited the Financial Statements of Maersk Supply Service West Africa A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 24 May 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Thomas Wraae Holm
statsautoriseret revisor

Martin Lunden
statsautoriseret revisor

Company Information

The Company

Maersk Supply Service West Africa A/S
Esplanaden 50
DK-1098 Copenhagen K

CVR No: 35 23 95 10

Financial period: 1 January - 31 December

Municipality of reg. office: Copenhagen

Board of Directors

Søren Karas, Chairman
Claus Taffeberg Sørensen
Kasper Mahon Andreasen

Executive Board

Søren Torp Nielsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of Maersk Supply Service West Africa A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

Main activity

Maersk Supply Service West Africa A/S is a 100% owned subsidiary of Maersk Supply Service A/S, providing services to the offshore industry including anchor handling, towage of drilling rigs and platforms, as well as supply vessel operation.

Development in the year

The profit for the year was USD'000 11,893 (2014: USD'000 8,892).

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2015 USD '000	2014 USD '000
Revenue		21,843	29,089
Other external expenses		(4,565)	(16,013)
Gross profit/loss		17,278	13,076
Depreciation, amortisation and impairment of intangible assets and vessels, plant and equipment	1	(3,659)	(3,659)
Profit/loss before financial income and expenses		13,619	9,417
Financial income	2	7	2
Financial expenses	3	(441)	(12)
Profit/loss before tax		13,185	9,407
Tax on profit/loss for the year	4	(1,292)	(515)
Net profit/loss for the year		11,893	8,892

Distribution of profit

Proposed distribution of profit

Retained earnings	11,893	8,892
	11,893	8,892

Balance Sheet 31 December

	Note	2015 USD '000	2014 USD '000
Assets			
Vessels		22,039	25,697
Vessels, plant and equipment	5	22,039	25,697
Fixed assets		22,039	25,697
Trade receivables		5,487	8,804
Receivables from group enterprises		14,167	581
Other receivables		13	0
Corporation tax		99	0
Receivables		19,766	9,385
Currents assets		19,766	9,385
Assets		41,805	35,082
Liabilities and equity			
Share capital		857	857
Retained earnings		40,201	28,308
Equity	6	41,058	29,165
Trade payables		362	3,131
Payables to group enterprises		374	2,272
Corporation tax		0	514
Other payables		11	0
Short-term debt		747	5,917
Debt		747	5,917
Liabilities and equity		41,805	35,082
Contingent assets, liabilities and other financial obligations	7		
Related parties and ownership	8		

Statement of Changes in Equity

	Share capital USD '000	Retained earnings USD '000	Total USD '000
Equity at 1 January	857	28,308	29,165
Net profit/loss for the year	0	11,893	11,893
Equity at 31 December	857	40,201	41,058

Notes to the Financial Statements

	2015 <u>USD '000</u>	2014 <u>USD '000</u>
1 Depreciation, amortisation and impairment of intangible assets and vessels, plant and equipment		
Depreciation of vessels, plant and equipment	3,659	3,659
	<u>3,659</u>	<u>3,659</u>
2 Financial income		
Interest received from group enterprises	7	2
	<u>7</u>	<u>2</u>
3 Financial expenses		
Interest paid to group enterprises	421	0
Other financial expenses	1	0
Exchange loss	19	12
	<u>441</u>	<u>12</u>
4 Tax on profit/loss for the year		
Current tax for the year	1,290	515
Adjustment of tax concerning previous years	2	0
	<u>1,292</u>	<u>515</u>

Notes to the Financial Statements

5 Vessels, plant and equipment

	Vessels USD '000
Cost at 1 January	69,976
Additions for the year	1
Cost at 31 December	<u>69,977</u>
Impairment losses and depreciation at 1 January	44,279
Depreciation for the year	3,659
Impairment losses and depreciation at 31 December	<u>47,938</u>
Carrying amount at 31 December	<u>22,039</u>

6 Equity

The share capital consists of 5,000 shares of a nominal value of DKK 1.000, equal to USD '000 857. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company has no deferred tax. The Company is part of a national joint taxation in Denmark with A.P. Møller Holding A/S, and is jointly liable with other Danish companies within the A.P. Møller - Maersk A/S Group for corporate- and withholding tax to Denmark.

8 Related parties and ownership

	<u>Basis</u>
Controlling interest	
Maersk Supply Service A/S, Esplanaden 50, 1098 Copenhagen K.	100% Owner

Notes to the Financial Statements

8 Related parties and ownership (continued)

Other related parties

Companies affiliated with A.P. Møller - Mærsk A/S.

The Company's related parties include the members of the Board of Directors, management and the key executives, as well as the related family members of these persons. Related parties also include companies in which the above-mentioned persons have a significant interest.

Transactions

No transactions relating to purchases or sales of vessels with related parties during 2015.

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Maersk Supply Service West Africa A/S is 100 % owned by Maersk Supply Service A/S, Esplanaden 50, 1098 Copenhagen K.

The Company is included in the consolidated accounts for A.P. Møller Mærsk A/S and A.P. Møller Holding A/S.

Accounting Policies

Basis of Preparation

The Annual Report of Maersk Supply Service West Africa A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in USD '000.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Accounting Policies

Income Statement

Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of any VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise cost of staff, daily running costs, administration etc.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and vessels, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes. The Company is included in the tonnage taxation scheme.

Accounting Policies

Balance Sheet

Vessels, plant and equipment

Vessels, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Expenses for dry docking of the vessel is recognised when incurred in the carrying amount of the vessel, etc. and depreciated over the period until next dry docking.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Vessels	20 years
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Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of vessels, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.