Technip PMC Services Limited

Annual Report and Financial Statements
for the year ended 31 December 2017

Registered number: 5053002

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Technip PMC Services Limited

Strategic Report

Principal Activities

On January 17 2017, following a merger of FMC Technologies Inc (FMC) and Technip SA (Technip), the ultimate parent undertaking and controlling party is now TechnipFMC Plc, a company incorporated in the United Kingdom.

The principal activity of the company is the provision of a range of services including Project Management Consultancy services for a number of industry sectors covering the petrochemicals, refining, oil and gas industries, mainly for overseas clients.

Business Review & Future Developments

In 2017, Technip PMC Services Ltd has maintained its presence in Middle East and has extended Project Management Consultancy activities in Asia with a significant project in Uzbekistan for a Gas to Liquid project.

In the near future, considering the recent oil price gains, which are due to a rebalancing of supply and demand fundamentals, we anticipate that many operators will move forward with final investment decision. The company expects 2018, to be a continuity of 2017 and 2016, an opportunity to consolidate its presence in Middle East and Asia.

Principal Risks and Uncertainties

Like all businesses we are subject to a variety of risks and uncertainties. Those of particular significance include:

- The fluctuation in the price of oil has led to a decrease in the number of market opportunities as our client's delay or defer investment in projects.
- Fixed-price and other contracts may experience additional costs, claims or contractual disputes. We manage this risk through a formal risk review procedure on major contracts and a variety of execution and reporting measures.
- We may not have access to have sufficient employee resources to meet our project requirements. Accordingly, we monitor the position in conjunction with sister companies in the group.
- Foreign currency risks may arise. In bidding and executing projects we analyse and monitor currency inflows and outflows and where possible and appropriate we hedge certain currency exposures.
- Political instability in certain markets such as that recently experienced in the Middle East may lead to the cancellation, suspension or postponement of certain projects. Security of our personnel is taken very seriously by the Company and we continually monitor the risks of operating in these countries.

Operating Results and Financial Position

The Company's key financial performance indicators during the year were as follows:

	2017 £	2016 £
Turnover for the year ended 31 December	1,111,498	302,168
Net Assets as at 31 December	232,702	141,133
Operating Profit / (Loss)	114,630	(14,780)

On behalf of the Board

Riccardo Moizo

Director

30 November 2018

Director's Report

The director presents his annual report on the affairs of the company, together with audited Financial Statements and Independent Auditors' report for the year ended 31 December 2017. The company is a private limited company and it is incorporated and domiciled in UK.

Results and Dividends

Results for the year are set out in the attached financial statements. The director does not recommend payment of a final dividend for the year (2016: £nil).

Political and charitable contributions

The company made no political or charitable donations or incurred and political expenditure during the year (2016: £nil).

Qualifying third party indemnity

The company has granted an indemnity to its director against liability in respect of proceedings brought by third parties subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving director's report.

Directors

The director who held office during the year and up to the date of signing the financial statements are given below:

Riccardo Moizo

Statement of director's responsibilities in respect of the financial statements

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the director 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 the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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.
The director is 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.

Director's confirmations

In the case of the director in office at the date the Director's Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent 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.

One St Paul's Churchyard
London
EC4M 8AP

On behalf of the Board,

Riccardo Moizo
Director

30 November 2018

Independent auditors' report to the members of Technip PMC Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Technip PMC Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the income statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Director's Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Director's Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Richard Spilsbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
30 November 2018

Income Statement

for the year ended 31 December 2017

	Notes	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Turnover	2	1,111,498	302,168
Cost of sales		(996,849)	(317,547)
Gross profit /(loss)		114,649	(15,379)
Administrative expenses		(19)	599
Operating profit / (loss)	5	114,630	(14,780)
Profit / (loss) on ordinary activities before taxation		114,630	(14,780)
Tax on profit / (loss)	6	(22,062)	2,956
Profit /(loss) for the financial year / period		92,568	(11,824)

There was no other comprehensive income during the year other than the result for the year shown above.
All results arise from continuing operations.

The notes from pages 10 to 19 form part of these financial statements.

Statement of financial position

at 31 December 2017

	Note	31 December 2017 £	31 December 2016 £
Current Assets			
Debtors	7	936,812	163,736
Cash at bank and in hand		512,026	270,720
		1,448,838	434,456
Creditors: amounts falling due within one year	8	(1,215,136)	(293,322)
Net Assets		232,702	141,133
Capital and Reserves			
Called up share capital	9	1	1
Profit and loss account		232,701	141,132
Total shareholders' Funds		232,702	141,133

The financial statements were approved by the director and authorised for issue on 30 November 2018 and signed on its behalf by R Moizo. The notes from pages 10 to 19 form part of these financial statements.

Riccardo Moizo
Director
Company number: 5053002

30 November 2018

Statement of changes in equity
for the year ended 31 December 2017

	Note	Called up Share Capital £	Profit & Loss Account £	Total £
At 1 January 2016	9	1	152,956	152,957
Loss for the financial year			(11,824)	(11,824)
At 31 December 2016		1	141,132	141,133
At 1 January 2017	9	1	141,133	141,133
Profit for the financial year		-	92,568	92,568
At 31 December 2017		**1**	**233,701**	**233,702**

Notes to the financial statements
for the year ended 31 December 2017

1. Accounting policies

1(a) General information

The financial statements of Technip PMC Services Limited (the "Company") for the year ended 31 December 2017 were authorised for issue by the board of directors on 30 November 2018 and the balance sheet was signed on the board's behalf by R Moizzo. The company is a private company and is incorporated and domiciled in the UK. The address of its registered office is One St Paul's Churchyard, LONDON, EC4M 8AP.

1(b) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

The company is a qualifying entity for the purpose of FRS 101 which sets out a reduced framework for a "qualifying entity", as described in the Standard. The Standard addressed the financial reporting requirements and disclosure exemption in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards (IFRS). Note 11 gives details of the Company's ultimate parent and from where consolidated financial statements prepared in accordance with IFRS may be obtained.

In these financial statements the application of FRS 101 has enabled the company to take advantage of certain disclosure exemptions that would have been required had the company adopted IFRS in full. The only such exemptions that the directors consider to be significant are:

- IAS 7, 'Statement of cash flows'
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- IFRS 7, 'Financial Instruments: Disclosures'

1. Accounting policies (continued)

1(b) Basis of preparation (continued)

- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  – 10(d), (statement of cash flows)
  – 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  – 16 (statement of compliance with all IFRS),
  – 38A (requirement for minimum of two primary statements, including cash flow statements),
  – 38B-D (additional comparative information),
  – 40A-D (requirements for a third statement of financial position
  – 111 (cash flow statement information), and
  – 134-136 (capital management disclosures)

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  (i) paragraph 79(a)(iv) of IAS 1;

The company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 1.

The company has access to considerable financial resources from TechnipFMC. As a consequence, the director believes that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

1. Accounting policies (continued)

1(b) Basis of preparation (continued)

Technip E&C Limited has provided the company with an undertaking that it will, for at least 12 months from the date of approval of these financial statements, continue to make available such funds as are needed by the company. This will enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment if required.

Turnover

Turnover, which is stated net of value added tax, comprises amounts to be invoiced to third parties, except in respect of long term contracts where turnover represents the sales value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long term contracts is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract.

Long term contracts

A long term contract is defined as the supply of a single substantial entity where the supply extends into different accounting periods. Long term contracts are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses.

Amounts recoverable on long term contracts which are included in debtors, are stated at the net sales value of the work done less amounts received on progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales less provision for contingencies and anticipated future losses on contracts, are included as long term contract balances in debtors.

Provision is made for all foreseeable losses expected to arise up to the completion of the contracts in progress, or entered into up to the balance sheet date.

Related Party Transactions

The company has taken advantage of the disclosure exemption available under Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) not to disclose transactions and balances with fellow subsidiary undertakings which are wholly held within the group, and which are included in the published financial statements of Technip SA, the ultimate parent undertaking.

1. Accounting policies (continued)

1(b) Basis of preparation (continued)

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the Director considers it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign Currencies

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency").

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are included in the profit and loss account.

1(c) Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) **Long term contracts**

A long-term contract is defined as the supply of a single substantial contract where the supply extends into different accounting periods. Long-term contracts are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses.

1. Accounting policies (continued)

1(c) Critical accounting estimates and judgments (continued)

Amounts recoverable on long term contracts which are included in debtors, are stated in the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments received on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long term contract balances in debtors.

Provision is made for all foreseeable losses expected to arise up to the completion of the contracts in progress, or entered into up to the balance sheet date.

(b) Revenue recognition

Project revenue is calculated by the percentage-of-completion method. The company assesses revenue and margin over the life of a project and recognise both in proportion to the percentage cost incurred to date.

2. Turnover

Turnover comprises the value of sales excluding VAT, of goods and services in the normal course of business. All turnover relates to one class of business.

An analysis of turnover to third parties by geographical market by destination is given below:

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Asia Pacific	1,111,498	302,168
	1,111,498	302,168

3. Staff Costs

The average monthly number of employees was:

	Year ended December 2017 Number	Year ended December 2016 Number
Administration	2	2

Their aggregate remuneration comprised:

	Year ended December 2017 £	Year ended December 2016 £
Wages and Salaries	-	-

The staff costs were incurred by other entities within the Technip Group.

4. Director's remuneration

The remuneration of the Director was as follows:

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Emoluments	-	-

The director of the company is also a director or officer of other companies within the Technip Group. The director's services to the company do not occupy a significant amount of time. As such the director do not consider that they have received any remuneration for their incidental services to the company for the year ended 31 December 2017.

5. Operating profit / (loss)

This is stated after charging / (crediting):	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Auditors' remuneration for audit of these financial statements	4,000	4,000
Foreign exchange gain	-	(1,703)

6. Tax on profit / (loss)

(a) Tax on profit / (loss)

The tax charge /(credit) is made up as follows:	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Current tax – UK corporate tax	22,062	(2,956)
Tax on profit /(loss) on ordinary activities	22,062	(2,956)

The tax charge assessed for the year is equal to £22,062 (2016 credit: £2,956) based on the standard rate of corporation tax in the UK for the year ended 31 December 2017 of 19.25% (2016: 20.%). The differences are explained below:

	Year to 31 December 2017 £	Year to 31 December 2016 £
Profit / (Loss) before taxation	114,630	(14,799)
Total tax charge /(credit) – Standard rate of UK Corporation tax at 19.25% (2016: 20.00%)	22,062	(2,956)

(b) Deferred tax asset	31 December 2017 £	31 December 2016 £
Non -Trading tax losses carried forward	105,206	105,206

A deferred tax asset has not been recognised in respect of the non-trade deficits and non-trading losses brought forward of £105,206 (2016: £105,206) as there is insufficient evidence that the asset will be recovered.

6. Tax on profit / (loss (continued)

6(b) Deferred tax asset (continued)

The deferred tax would only be recoverable in the event of a significant increase in non-trading income. As a result, there is no deferred tax impact within this company.

(c) Factors affecting current and future tax charge

The main rate of corporation tax was reduced from a hybrid rate of 20% (2016) to a rate of 19.25% for the calendar year 2017, with deferred tax being recognised at 19.25%.

Legislation to reduce the main rate of corporation tax to 19.00% from 1 April 2017 to 17.00% from 1 April 2020 was included in the Finance (No 2) Act 2015 and Finance Act 2016 respectively.

7. Debtors

	31 December 2017 £	31 December 2016 £
Trade debtors	174,392	157,450
Amounts owed by Group undertakings	9,242	6,285
Amounts recoverable on long term contracts	753,178	1
Other debtors	-	-
	936,812	163,736

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

8. Creditors

Amounts falling due within one year	31 December 2017 £	31 December 2016 £
Amounts owed to Group undertakings	189,312	189,312
Corporation tax	22,062	(2,956)
Accruals and deferred income	1,003,762	106,966
	1,215,136	293,322

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

9. Called up share capital

	31 December 2017 £	31 December 2016 £
Allotted, called up and fully paid		
1 (2016:1) ordinary share of £1 each	1	1

10. Financial commitments

Capital commitments

There were no capital commitments at 31 December 2017 (2016: £nil).

Lease commitments

The Company has no operating leases. (2016: £nil)

11. Ultimate Parent Company

On January 17 2017, TechnipFMC Plc (TechnipFMC) (NYSE and Euronext: FTI) announced that it is operating as a unified, combined company following completion of the merger of FMC Technologies Inc (FMC) and Technip SA (Technip). The merger creates a global leader in oil and gas projects, technologies, systems and services that will enhance the performance of the world's energy industry.

The ultimate parent undertaking and controlling party is now TechnipFMC Plc, a company incorporated in the United Kingdom, which is the parent undertaking of the smallest and largest group to consolidate these financial statement. The consolidated financial statements of TechnipFMC Plc are available at the TechnipFMC website (investor.technipfmc.com)
www.technipfmc.com