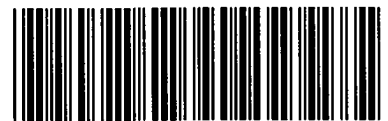


**Directors' Report and
Financial Statements for the Year Ended 31 December 2017
For
Forsys Subsea Limited**

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Forsys Subsea Limited (Registered number: 09574884)

Company Information

For the year ended 31 December 2017

DIRECTORS:

Y Larsen (resigned 17 Nov 2017)
H Hasselknippe (resigned 29 Jan 2018)
G Groisard
C Zonneveld (resigned 23 Jan 2018)
R Sunde (resigned 23 Jan 2018)
V Joseph
P Brondmo (appointed 1 Feb 2018)
S Siegel (appointed 1 Feb 2018)

SECRETARY:

P Brondmo (resigned 29 Jan 2018)
B Mennie (appointed 1 Feb 2018)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors,
The Capitol,
431 Union St,
Aberdeen,
AB11 6DA

BANKERS:

HSBC
8 Canada Square
London
E14 5HQ

REGISTERED OFFICE:

One St. Paul's Churchyard
London
EC4M 8AP

Forsys Subsea Limited (Registered number: 09574884)

Contents of the Financial Statements

For the year ended 31 December 2017

	Page
Strategic Report	4
Directors' Report	5 - 6
Independent Auditors' Report	7 - 8
Statement of Comprehensive income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 21

Forsys Subsea Limited (Registered number: 09574884)

Strategic Report

For the year ended 31 December 2017

The directors present their strategic report and the audited financial statements for the year ended 31st December 2017.

Principal activities and review of the business

The principal activity of the Company for the year under review was Front-End Services. These services include the provision of a full range of engineering and field design services for all phases of field development, from commercial evaluation through concept definition, design, procurement, installation and operation.

Review of business and future developments

The financial position of the company is set out on page 10 and the results for the year are set out on page 9. The Company had net liabilities of £28,620,942 (2016: £12,074,922) including borrowings of £40,000,000 (2016: £40,000,000) and the loss for the year was £16,546,021 (2016: loss of £6,866,772).

The loss for the year has been impacted by impairment of investments and write off of other debtor balances in total of £13,040,554 (2016: nil) which is presented as exceptional items within the statement of comprehensive income.

During the year, the front end services have begun to be transferred to other group entities following a group restructure and the activities performed by the company have started to be wound down in 2018. The intention is for the company to be liquidated in 2019 and all services transferred to other group companies. As a result and as set out in the Directors' report and note 1 to the financial statements, the financial statements have, therefore not been prepared on a going concern basis.

Key performance indicators

During the year, the company has been closing down projects and winding up activities. The re-organisation has resulted in some significant one-off costs and as a result the company has incurred losses in the year. Review using key performance indicators is therefore not deemed relevant given the ongoing re-organisation and transfer of activities.

Principal risks and uncertainties

In light of the transfer of the business to other group entities, there will be no further ongoing business and accordingly there will be no material risks faced by the company going forward.

On behalf of the board:



P Brondmo
Director

Date: 10 December 2018

Forsys Subsea Limited (Registered number: 09574884)

Directors' Report

For the year ended 31 December 2017

The Directors' present their report and audited financial statements for the year ended 31 December 2017 which have not been prepared on the going concern basis as described below and in note 1 to the financial statements.

General information

Forsys Subsea Limited (the "Company") was incorporated on 5 May 2015. The principal activity of the Company and its subsidiaries is the provision of Front-End work. The Company is incorporated in the United Kingdom with its subsidiaries incorporated in the U.S., Norway, Brazil, Singapore and France. The registered address of the Company is 1 St. Pauls' Churchyard, London, United Kingdom, EC4M 8AP.

Results and dividends

The results show a loss for the financial year of £16,546,021 (2016: £6,866,772) and revenue of £3,410,031 (2016: £2,547,205). At the end of the year the Company had net liabilities of £28,620,942 (2016: £12,074,921).

The directors do not have the ability to recommend the payment of a dividend as the company has negative reserves (2016: nil).

Directors' indemnity

The Company purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Y Larsen	(resigned 17 Nov 2017)
H Hasselknippe	(resigned 29 Jan 2018)
G Groisard	
C Zonneveld	(resigned 23 Jan 2018)
R Sunde	(resigned 23 Jan 2018)
V Joseph	
P Brondmo	(appointed 1 Feb 2018)
S Siegel	(appointed 1 Feb 2018)

No director held an interest in the Company's equity at date of approval of these financial statements.

Going concern

The company has made the decision to cease trading and will transfer the remaining business activities to fellow group companies during 2019. As the company is no longer trading, the directors consider it inappropriate to prepare the financial statements on a going concern basis. Adjustments have been made to the financial statements which have been set out under the basis of preparation in note 1.

Forsys Subsea Limited (Registered number: 09574884)

Directors' Report (continued)

For the year ended 31 December 2017

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors 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 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 the financial statements, the directors are 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 financial statements have not been prepared on the going concern basis for the reasons set out in note 1.

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.

The directors 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.

Disclosure of information to the auditors

In the case of each director in office at the date the Directors' Report is approved confirms that:

- 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 re-appointment will be proposed at the Annual General Meeting.

On behalf of the board:



.....

P Brondmo
Director

Date: 10 December 2018

Independent auditors' report to the members of Forsys Subsea Limited

Report on the audit of the financial statements

Opinion

In our opinion, Forsys Subsea 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 loss 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 Directors' Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the statement of comprehensive income, 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than 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 Directors' 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 Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' 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 Directors' 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 directors' responsibilities in respect of the financial statements set out on page 6, 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.

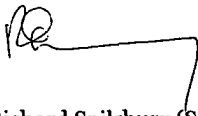
Other required reporting

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
11 December 2018

Forsys Subsea Limited (Registered number: 09574884)

Statement of Comprehensive Income

For the year ended 31 December 2017

	Note	2017 £	2016 £
Revenue	3	3,410,031	2,547,205
Cost of sales		(5,273,663)	(7,004,671)
		<hr/>	<hr/>
Gross loss		(1,863,632)	(4,457,466)
Administrative expenses		(1,082,252)	(3,207,560)
Exceptional items	5	(14,060,533)	-
		<hr/>	<hr/>
Loss from operations	4	(17,006,417)	(7,665,026)
Net finance (costs)/income	8	(289,245)	2,117,651
Fair value movement on derivative financial liability	14	749,641	(1,319,397)
		<hr/>	<hr/>
Loss before taxation		(16,546,021)	(6,866,772)
Taxation credit	9	-	-
		<hr/>	<hr/>
Loss for the financial year and total comprehensive loss		(16,546,021)	(6,866,772)
		<hr/> <hr/>	<hr/> <hr/>

All operations are discontinued.

The notes on the accompanying pages form part of these financial statements.

Forsys Subsea Limited (Registered number: 09574884)

Statement of Financial Position

As at 31 December 2017

	Note	2017 £	2016 £
Non-Current assets			
Loans to subsidiaries		-	12,427,865
Investments	10	-	857,469
		<u>-</u>	<u>13,285,334</u>
Current assets			
Trade and other receivables	11	14,196,087	14,016,350
Cash at bank and in hand		4,221,108	6,741,896
		<u>18,417,195</u>	<u>20,758,246</u>
Creditors: amounts falling due within one year	12	(47,038,137)	(46,118,501)
		<u>(28,620,942)</u>	<u>(25,360,255)</u>
Net current liabilities		(28,620,942)	(25,360,255)
Total assets less current liabilities		(28,620,942)	(12,074,921)
Capital and reserves			
Called up share capital	13	2	2
Share premium		98	98
Profit and loss account		(28,621,042)	(12,075,021)
		<u>(28,620,942)</u>	<u>(12,074,921)</u>
Total Equity		(28,620,942)	(12,074,921)

The notes on the accompanying pages form part of these financial statements.

The financial statements on pages 9 – 21

of Forsys Subsea Limited were approved by the Board of Directors on 10 December 2018 and were signed on its behalf by:



P Brondmo
Director

Forsys Subsea Limited (Registered number: 09574884)

**Statement of Changes in Equity
For the year ended 31 December 2017**

	<i>Called up Share Capital £'000</i>	<i>Share premium £'000</i>	<i>Profit and loss account £'000</i>	<i>Total equity £'000</i>
At 1st January 2016	2	98	(5,208,250)	(5,208,150)
Loss for the financial year and total comprehensive expense	-	-	(6,866,772)	(6,866,772)
At 31st December 2016 and 1st January 2017	2	98	(12,075,021)	(12,074,921)
Loss for the financial year and total comprehensive expense	-	-	(16,546,021)	(16,546,021)
At 31st December 2017	2	98	(28,621,042)	(28,620,942)

Called up Share capital represents the value of shares issued and paid. Refer to note 13 for detailed information.

The profit and loss account represent accumulated retained earnings.

Notes to the Financial Statements

For the year ended December 2017

1. Summary of significant accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the 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 as applicable to companies using FRS 101. As noted in the Directors' Report, active steps have been made in winding up the company and as such the financial statements have been prepared on a basis other than going concern.

In adopting the non-going concern basis at the year end, the following policies and procedures were implemented:

- All assets have been disclosed at values at which they are expected to be realised
- All liabilities reflect the full amount at which they are expected to materialise
- All investments have been disclosed at values at which they are expected to realise.

The adjustments made have been disclosed as exceptional items which are disclosed further in note 5.

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 18 gives details of the Company's ultimate parent and from where consolidated financial statements prepared in accordance with IFRS may be obtained.

During 2016 the company was an incorporated joint venture between Technip and FMC Technologies groups, and produced consolidated financial statements. On January 17 2017, the merger of Technip SA and FMC Technologies Inc was completed and from this date TechnipFMC Plc became the ultimate parent undertaking and controlling party of Forsys Subsea Limited. Consequently, the company has taken advantage of the exemption from preparation and delivery to the registrar of group financial statements available under Section 400 of the Companies Act 2006. Therefore, the financial statements present information about the company as an individual undertaking and not about its group.

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:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of the compensation of key management personnel; and
- certain disclosures required by IFRS 7 Financial Instrument disclosure

Functional and presentation currency

These financial statements are presented in British pound sterling, which is the Company's functional currency. The functional currency of the subsidiaries is considered to be the currency in which the subsidiary mainly transacts in.

1. Summary of significant accounting policies (continued)

Going concern

The directors have made the decision to cease trading and will transfer the remaining business to fellow group undertakings during the remainder of 2018 and 2019. The intention is for the company to be liquidated during 2019. As the company is no longer trading, the directors consider it inappropriate to prepare the financial statements on the going concern basis and therefore the directors have prepared these financial statements on a break-up basis as out above under the ***Basis of Preparation***. A total adjustment of £14,060,533 has been processed against assets of the company to reflect the value at which they are expected to be realised. This amount is presented separately as exceptional items within the statement of comprehensive income.

Use of estimates and judgement

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. Areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Foreign currencies

Transactions entered into by the Company in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Exchange gains and losses arising on the retranslation of monetary available for sale financial assets are treated as a separate component of the change in fair value and recognised in profit or loss. Exchange gains and losses on non-monetary available for sale financial assets form part of the overall gain or loss recognised in respect of that financial instrument.

Financial assets

The entity classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The entity has not classified any of its financial assets as held to maturity.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

1. Summary of significant accounting policies (continued)

Financial assets (continued)

Loans and receivables (continued)

For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. From time to time, the company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Other than financial liabilities in a qualifying hedging relationship (see below), the Company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises only out-of-the-money derivatives (see "Financial assets" for in the money derivatives). They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income. The company does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the company does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities

Other financial liabilities include the following items:

- Trade and other payables and borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

1. Summary of significant accounting policies (continued)

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company, or
- Different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Provisions

The company has recognised provisions for liabilities of uncertain timing or amount. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability. In the case of leasehold dilapidations, the provision takes into account the potential that the properties in question may be sublet for some or all of the remaining lease term.

2. Critical accounting estimates

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.

2.1 Recoverability of loans to subsidiaries and investments in subsidiaries

A significant degree of judgement is applied by management when considering whether a loan to subsidiary or investment in subsidiary is recoverable or not.

Forsys Subsea Limited (Registered number: 09574884)

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

3. Revenue

Revenue is attributable to one discontinued activity, the provision of front-end services.

	2017	2016
	£	£
Provision of services	3,410,031	2,547,205

4. Loss from operations

Operating loss is stated after charging/(crediting):

	2017	2016
	£	£
Exceptional items (note 5)	14,060,533	-
Audit fees (Company only) *	37,500	25,000
Audit fees (Consolidation)	-	38,700
Foreign exchange losses / (gains)	74,006	2,352,842

5. Exceptional items

	2017	2016
	£	£
Impairment of investments (note 10)	7,478,646	-
Impairment of trade debtors	138,964	-
Impairment of accrued revenue	407,255	-
Impairment of amounts owed by group undertakings	6,035,668	-
	<u>14,060,533</u>	<u>-</u>

Exceptional items reflect write-offs of various asset balances in order to prepare the financial statements on a basis other than going concern.

6. Directors' emoluments

	2017	2016
	£	£
Aggregate emoluments - Fees	<u>6,000</u>	<u>523,251</u>

This relates entirely to one director (2016: one). The directors are considered to represent key management personnel under IFRS. Other than as highlighted above, the Directors are remunerated through other Group entities within which they are employed, with no amounts being recharged to the company.

Forsys Subsea Limited (Registered number: 09574884)

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

7. Staff costs

The company did not have any staff in its employment during the year, as it enters into arrangements to utilise the employees of its shareholders and related companies in performing its business.

8. Net finance (costs) / income

	2017	2016
	£	£
Interest receivable from group undertakings	405,842	320,719
Interest payable to group undertakings	(769,093)	(555,910)
Foreign exchange (losses)/ gains	74,006	2,352,842
	(289,245)	2,117,651
	(289,245)	2,117,651

9. Tax on loss

(a) The taxation credit is made up as follows:

	2017	2016
	£	£
UK Corporation tax	-	-
Foreign tax	-	-
	-	-
Tax on loss	-	-

(b) Factors affecting total tax credit

The tax assessed on the loss for the year differs from the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are reconciled below:

	2017	2016
	£	£
Loss for the year	(16,546,021)	(6,866,772)
	(16,546,021)	(6,866,772)
Loss multiplied by standard rate of corporation tax in the UK of 19.25 % (2016: 20%)	(3,185,109)	(1,373,354)
Effect of: Tax losses not recognised	3,185,109	1,373,354
	-	-
Total tax credit	-	-

Forsys Subsea Limited (Registered number: 09574884)

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

9. Tax on loss (continued)

(c) Factors affecting current and future tax charges

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

Legislation to reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020 was included in the Finance (No 2) Act 2015 and Finance Act 2016 respectively.

No Deferred tax assets has been recognised.

10. Investments

	Shares in Subsidiary undertaking
	£
Cost	
At 1 January 2017	857,469
Additions	6,621,177
At 31 December 2017	<u>7,478,646</u>
Provisions	
At 1 January 2017	-
Impairment	7,478,646
At 31 December 2017	<u>7,478,646</u>
Net book value	
At 31 December 2017	<u>-</u>
At 31 December 2016	<u>857,469</u>

The company did not receive any dividends in 2017 as a result of its investments.

Investment in Forsys Subsea Pte Ltd – Singapore was dissolved in 2017.

Additions in the year reflect restructuring of the loan receivable with Forsys Subsea Inc, which has subsequently been impaired. Impairments in the year also include recognition of the irrecoverability of the investment in Forsys Subsea Ltda (£857,469).

Details of investments in which the company holds a nominal value of any class of share capital are as follows:

Forsys Subsea Limited (Registered number: 09574884)

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

10. Investments (continued)

<i>Name of Company</i>	<i>Country of Incorporation & registered address</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of Business</i>
Forsys Subsea Inc	United States of America 11740 Katy Fwy #100, Houston, TX, 77079	100%	Provision of Front-End and Field services
Forsys Subsea SAS	France 43 Boulevard Franklin Roosevelt, 92500 Rueil- Malmaison	100%	Provision of Front-End and Field services
Forsys Subsea AS	Norway Philip Pedersens Vei 7 1366 Lysaker	100%	Provision of Front-End and Field services
Forsys Subsea Ltda	Brazil Rio de Janeiro, Na Rua Dom Marcos Barbosa, numero 02, 4° andar, salas 403 e 404	100%	Provision of Front-End and Field services

11. Trade and other receivables

	2017	2016
	£	£
Trade receivables	1,312,616	1,637,183
Loans to subsidiaries	11,025,040	11,663,782
Accrued revenue	1,561,908	-
VAT	296,522	623,378
Prepayments and other debtors	-	92,007
	14,196,087	14,016,350

Loans to subsidiaries include amounts due from related parties. The carrying value of balances classified as loans and receivables approximates fair value. As at 31 December 2017 trade receivables were in line with credit terms (2016: no change). They relate to the customers with no default history and strong creditworthiness.

The Company has provided loans to its subsidiaries. The loans accrue interest at the one-year LIBOR rate plus 1.10% (2016: no change). The one-year LIBOR rate is fixed two days in advance of the date of the drawdown. The loan with Forsys Inc of £3.6m was written off in the year and the remaining loan balances with Forsys SAS and Forsys AS were repaid during 2018 (February and November 2018 respectively)

Forsys Subsea Limited (Registered number: 09574884)

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

12. Creditors: amounts falling due within one year

	2017	2016
	£	£
Loans and bank overdraft	41,323,051	40,555,910
Trade payables	1,958,109	1,742,641
Other creditors and accruals	3,038,024	2,500,553
Derivative liability	569,756	1,319,397
Deferred revenue	149,197	-
	<u>47,038,137</u>	<u>46,118,501</u>

Trade payables and other payables accruals include amounts due from related parties. The carrying value of trade and other payables classified as financial liabilities are measured at amortised cost and approximate fair value.

The Company had a working capital facility with its joint venture partners (now TechnipFMC plc Group entities) for up to £40,000,000 (2016: £40,000,000). At 31 December 2017, £40,000,000 (2016: £40,000,000) of this facility was drawn down, equally from each shareholder. Interest at the one-year LIBOR rate plus a 1.10% premium is incurred (2016: no change). The loans were due to be repaid in November 2017 but with the intention being to liquidate the company, the shareholders have not called in the loans.

13. Called up share capital

	2017	2016
	£	£
Issued and fully paid:		
2 ordinary shares of £1 each par	2	2
	<u>2</u>	<u>2</u>
	Number	Number
2 ordinary shares of £1 each par	2	2
	<u>2</u>	<u>2</u>

2 shares at £1 each par value were issued on incorporation for £50 each.

14. Derivatives financial instruments

Foreign exchange risk arises when individual group operations enter into transactions denominated in a currency other than their functional currency. Where the risk to the Group is considered to be significant, Group treasury will enter into a matching forward foreign exchange contract with a reputable bank.

The forecast transactions denominated in foreign currency are expected to occur at various dates within the next 12 months. The notional principal amounts of outstanding forward foreign exchange contracts at 31 December 2017 were 3,000,000€, NOK 90,000,000, \$3,600,000 (2016: 3,000,000€, NOK 90,000,000 and \$15,700,000). Their fair value is £569,756 (2016: 1,319,397).

The derivatives do not meet the definition of a cash flow hedge.

Forsys Subsea Limited (Registered number: 09574884)

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

14. Derivatives financial instruments (continued)

	2017	2016
	£	£
Forward foreign exchange contracts	(569,756)	(1,319,397)

15. Ultimate parent undertaking

The entity was previously a joint venture between Technip UK and FMC Technologies, on January 17 2017, TechnipFMC Plc announced that it will be operating as a unified, combined company following the completion of the 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, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. The consolidated financial statements of TechnipFMC Plc are available for inspection at www.morningstar.co.uk/uk/NSM, and can also be found on the TechnipFMC website (investors.technipfmc.com).

16. Capital commitments

There were no capital commitments as at the statement of financial position date.

17. Contingent liabilities

There were no contingent liabilities as at the statement of financial position date.