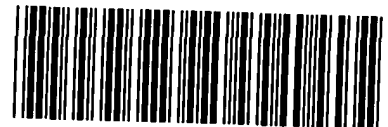


SF OFFSHORE POWER AND CONTROL BIDCO LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017

WEDNESDAY



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COMPANIES HOUSE

SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

DIRECTOR AND ADVISERS

Directors	Mr K Massie Mr J Arney
Company number	09306315
Registered office	Cannon Place 78 Cannon Street London EC4H 6AF
Statutory auditors	Deloitte LLP Union Plaza 1 Union Wynd Aberdeen AB10 1SL
Business address	Hareness Road Altens Industrial Estate Altens AB12 3LE
Solicitors	CMS Cameron McKenna LLP 6 Queens Road Aberdeen AB15 4ZT

SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

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SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

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

Principal activities and review of business

The principal activity of the company is that of a holding company.

Business review

The company is part of a group headed by SF Offshore Power and Control Topco Limited, whose operations are dependent on the activity levels within the oil and gas sector.

In the prior period ended 31 March 2016, the group accounts were consolidated at the level of SF Offshore Power and Control Bidco Limited. However, subsequent to a restructure of the business during November 2016, the group accounts are now consolidated at the level of SF Offshore Power and Control Topco Limited, the immediate parent entity of SF Offshore Power and Control Bidco Limited.

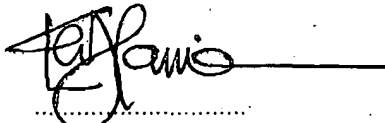
Brexit

On 29 March 2019 the United Kingdom will leave the European Union. It is not yet known what the short or long-term impact of this will be on the company.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered and continue to relate to competition from similar businesses and activity levels within the oil and gas sector.

On behalf of the board



.....
Mr K Massie
Director

27 April 2018

SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and financial statements for the year ended 31 March 2017.

Directors

The following directors have held office since 1 April 2016 and to the date of this report are:

Mr K Massie

Mr J Arney

Mr R Booth (Resigned 9th January 2017)

Statement of director's responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the director has 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 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 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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper 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 him 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 of disclosure to auditor

The directors confirm that;

- a) so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- b) they have taken all the steps that they ought to have taken as 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.

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 487 of the Companies Act 2006 at an AGM or deemed in the absence of an AGM.

On behalf of the board



Mr K Massie

Director

27 April 2018

SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

We have audited the financial statements of SF Offshore Power and Control Bidco Limited for the year ended 31 March 2017 which comprise the Income statement, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 14. 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 an auditor's report 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 auditor

As explained more fully in the Director's Responsibilities Statement, the director is 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 annual report 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 March 2017 and of the company's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, 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.

L Cowie

Lyn Cowie, CA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Aberdeen

27 April 2018

SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Year ended 31 March 2017 \$	16 months ended 31 March 2016 \$
Administrative expenses		(568,871)	(403,681)
Exceptional costs	3	(24,943,647)	-
Operating loss		(25,512,518)	(403,681)
Other interest receivable and similar income	5	391,172	610,084
Interest payable and similar charges	6	(3,913,092)	(4,591,396)
Loss on ordinary activities before taxation	4	(29,034,438)	(4,384,993)
Tax on loss on ordinary activities	7	-	-
Loss on ordinary activities after taxation		(29,034,438)	(4,384,993)

The income statement has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the income statement, accordingly no separate statement of total comprehensive income is presented.

SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Notes	2017 \$	2016 \$
Fixed assets			
Investments	8	8,469,000	33,412,647
Current assets			
Cash at bank and in hand		-	-
Debtors	9	11,309,999	9,612,536
		<u>11,309,999</u>	<u>9,612,536</u>
Creditors: amounts falling due within one period	10	(5,729,023)	(6,110,277)
Net current assets		<u>5,580,976</u>	<u>3,502,259</u>
Total assets less current liabilities		<u>14,049,976</u>	<u>36,914,906</u>
Creditors: amounts falling due after more than one period	11	(47,073,854)	(40,904,346)
		<u>(33,023,878)</u>	<u>(3,989,440)</u>
Capital and reserves			
Called up share capital	13	39,555	39,555
Share premium	13	355,998	355,998
Profit and loss account	13	(33,419,431)	(4,384,993)
Shareholders' deficit		<u>(33,023,878)</u>	<u>(3,989,440)</u>

Approved by the Board and authorised for issue on 27 April 2018


K Massie

Director

Company Registration No: 90306315

SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

STATEMENT OF CHANGES IN EQUITY 2016

	Called up share capital \$	Share premium account \$	Profit and loss account \$	Total \$
Total comprehensive loss for the period	-	-	(4,384,993)	(4,384,993)
Issue of shares	39,555	355,998	-	395,553
At 31 March 2016	39,555	355,998	(4,384,993)	(3,989,440)

STATEMENT OF CHANGES IN EQUITY 2017

	Called up share capital \$	Share premium account \$	Profit and loss account \$	Total \$
At 1 April 2016	39,555	355,998	(4,384,993)	(3,989,440)
Total comprehensive loss for the year	-	-	(29,034,438)	(29,034,438)
At 31 March 2017	39,555	355,998	(33,419,431)	(33,023,878)

SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Significant Accounting policies

1.1 General information and basis of accounting

SF Offshore Power and Control Bidco Limited is a company limited by shares incorporated in Scotland under the Companies Act. The address of the registered office is CMS Cameron McKenna LLP, Cannon Place, 78 Cannon Street, London, England, EC4N 6AF. The nature of the company's operations and its principal activities are set out in the strategic report on page 1. The presentational currency of the company is USD.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of SF Offshore Power and Control Topco Limited as at 31 March 2017 and these financial statements may be obtained from Union Plaza (6th Floor), 1 Union Wynd, Aberdeen, AB10 1DQ.

1.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 23 hours. Cash equivalents are highly liquid investments that mature in not more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.5 Current taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the company operate and generate income.

1.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs and are measured subsequently at amortised cost using the effective interest method.

SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Significant Accounting policies (continued)

1.7 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions are based on various factors, such as experience with previous tax authorities and differing interpretations of tax regulations by the company and the tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Carrying value of investments

The company assesses annually whether investment value held in the company has been impaired. Management assess the carrying value of investment using a number of factors including the trading performance of the acquired subsidiaries and their future cash flow projections discounted appropriately.

Key courses of estimation uncertainty

There are no material key sources of estimation uncertainty impacting the financial statements.

3 Exceptional costs

	Year ended 31 March 2017	16 months ended 31 March 2016
	\$	\$
Impairment of fixed asset investments	24,943,647	-

SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

4 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/ (crediting):

	Year ended 31 March 2017 \$	16 months ended 31 March 2016 \$
Operating loss is stated after charging:		
Non-executive directors fees	43,193	50,840
Loss / (gain) on foreign exchange transactions	2,121	(161,950)
Loan fees	206,406	241,684
	<u>251,720</u>	<u>84,574</u>

5 Other interest receivable and similar income

	Year ended 31 March 2017 \$	16 months ended 31 March 2016 \$
Management charges receivable	<u>391,172</u>	<u>610,084</u>

6 Interest payable and similar charges

	Year ended 31 March 2017 \$	16 months ended 31 March 2016 \$
Bank charges	39	17,662
Interest payable on loan	777,177	1,010,678
Interest payable on intercompany debt	3,135,876	3,566,205
Gain on derivative held at fair value	-	(3,149)
	<u>3,913,092</u>	<u>4,591,396</u>

SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

	Year ended 31 March 2017 \$	16 months ended 31 March 2016 \$
7 Tax on loss on ordinary activities		
The tax charge comprises:		
Loss for the period – continuing operations	-	-
Total tax on loss on ordinary activities	-	-

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2017 \$	2016 \$
Loss on ordinary activities before tax	(29,034,438)	(4,384,993)
Tax on loss on ordinary activities at standard UK corporation tax rate of 20.00% (2016: 20.25%)	(5,806,888)	(887,759)
Expenses not deductible	5,023,779	-
Effects of group relief / other reliefs	479,292	98,306
Losses	303,817	789,453
Total tax charge for the year/period	-	-

SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

8 Fixed asset investments

	Shares in company undertakings \$
Cost	
At 1 April 2016	33,412,647
Additions	
Disposals	
Impairment	(24,943,647)
	<u>8,469,000</u>
Net book value	
31 March 2017	<u>8,469,000</u>
31 March 2016	<u>33,412,647</u>

Principle Company investments

Principal Company Investments		Country of registration or incorporation	Shares held	
Company			Class	%
Subsidiary undertakings:				
Intercede (Scotland) 1 Limited		Scotland	Ordinary	100
Celeris Engineering Limited*		England/Wales	Ordinary	100
Electro-Flow Controls Limited*		Scotland	Ordinary	100
Deep Blue Engineering Solutions Limited*		Scotland	Ordinary	100
EFC Americas Inc.**		USA	Ordinary	100

*The share capital of Celeris Engineering Limited, Electro-Flow Controls Limited and Deep Blue Engineering Solutions Limited is held by Intercede (Scotland) 1 Limited

**The share capital of EFC Americas Inc. is held by Electro-Flow Controls Limited.
The principal activity of these undertakings for the last financial period was as follows:

Company	Principal Activity	Registered Office
Celeris Engineering Limited	Dormant	C/o Cms Cameron McKenna LLP, Cannon Place, 78 Cannon Street, London, EC4N 6AF
Electro-Flow Controls Limited	Manufacture of drilling instrumentation products for sale to the oil and gas industry	6 Queens Road, Aberdeen, AB15 4ZT
EFC Americas Inc.	Manufacture of drilling instrumentation products for sale to the oil and gas industry	1424 W Sam Houston Parkway, Suite 140, Houston, Texas, 77043
Intercede (Scotland) 1 Limited	Immediate holding company	6 Queens Road, Aberdeen, AB15 4ZT
Deep Blue Engineering Solutions Limited	Manufacture of drilling instrumentation products for sale to the oil and gas industry	Broadfold Road, Bridge of Don Industrial Estate, Aberdeen, AB23 8EE

SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

9 Debtors : amounts falling due within one period

	2017	2016
	\$	\$
Other debtors	30,106	101,228
Derivative financial assets	-	3,149
Amount due from subsidiaries	11,279,893	9,508,159
	<u>11,309,999</u>	<u>9,612,536</u>

10 Creditors : amounts falling due within one period

	2017	2016
	\$	\$
Bank loans and overdrafts (note 12)	-	4,587,315
Amounts owed to group undertakings	5,595,166	1,515,955
Accruals and other creditors	133,857	7,007
	<u>5,729,023</u>	<u>6,110,277</u>

Amounts owed to group undertakings are repayable on demand.

11 Creditors : amounts falling due after more than one period

	2017	2016
	\$	\$
Bank loans (note 12)	13,062,719	11,322,092
Amounts owed to Group undertakings	34,011,135	29,582,254
	<u>47,073,854</u>	<u>40,904,346</u>
Analysis of bank loans		
Between one and two years	1,751,000	3,935,764
Between two and five years	11,311,719	7,386,328
	<u>13,062,719</u>	<u>11,322,092</u>

The bank loans are secured by way of floating charge over the assets of the company and its trading subsidiaries.

Interest is charged at 15% on amounts owed to group undertakings. There are no fixed repayment terms on the amounts payable.

SF OFFSHORE POWER AND CONTROL BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	\$	\$
12 Borrowings		
Bank loan – gross borrowings repayable		4,767,399
Current	13,539,938	11,772,302
Non-current	<u>13,539,938</u>	<u>16,539,701</u>
Bank loan - Unamortised costs deducted from the loan value		
Current	-	(180,084)
Non-current	(477,219)	(450,210)
	<u>(477,219)</u>	<u>(630,294)</u>
Bank loan – net of unamortised costs		
Current	-	4,587,315
Non-current	13,062,719	11,322,092
	<u>13,062,719</u>	<u>15,909,407</u>
13 Called up share capital and reserves		
	2017	2016
	\$	\$
Allotted, called up and fully paid		
25,001 Ordinary shares @ £1 each	<u>39,555</u>	<u>39,555</u>

The Group and Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares.

The profit and loss reserve represents cumulative profits or losses.

14 Controlling party

The immediate and ultimate parent undertaking and largest and smallest group in which the company is consolidated is SF Offshore Power and Control Topco Limited. The consolidated financial statements may be obtained from the registered office, CMS Cameron McKenna LLP, Cannon Place, 78 Cannon Street, London, England, EC4N 6AF.

The company has taken advantage of FRS 102 section 33 paragraph (a), which allows exemption from disclosure of related party transactions with other 100% owned group companies.