

# Annual Report

## Boa SBL AS

### 2012

Org.nr. 990 899 576



## Boa SBL AS

### BOARD'S ANNUAL REPORT FOR 2012

**Nature and location of activities:**

The company owns and charters out two special built vessels for EM Technology "Boa Thalassa" and "Boa Galatea". The main office of the company is located in Trondheim. Management of the vessel is performed by Boa Offshore AS.

**Work environment and equal opportunity:**

The company does not have any employees. Seafaring personnel and management services are hired from Boa Offshore AS. Boa Offshore AS has provided the administration services for the company. The Board is of the opinion that the work environment on board the vessel is good. Absenteeism due to illness has been low. There were no serious personal injuries on the vessels in 2012.

The work environment is dominated by men, but there are more and more positions being filled by women.

**External environment:**

The operation of a vessel includes a certain risk for spillage of marine diesel oil products. However, no abnormal spillage has been recorded from the vessels in 2012 that follow laid down procedures when bunkering of diesel and other potential contaminating liquids.

The board is not aware of any non-compliance with government requirements regarding the pollution of the environment

**Continued operation:**





The board confirms that the conditions for continued operation have been complied with, and the accounts have been presented under this assumption.

**Review of annual accounts:**

The year-end profit for 2012 was MNOK 12.9. Total year-end assets were MNOK 584, compared to MNOK 633,9 the prior year. The shareholder's equity on December 31, 2012 was 38,7 %, compared to 33,6 % as of December 31, 2011.

The company's distributable equity as per 31 December 2012 is MNOK 14.6.

Trondheim, 19 February 2013

 Ole T. Bjørnevik Chairman of the Board	 Eskil Bjørnevik Member of the Board	 Marita Bjørnevik Member of the Board	 Hege Kvalvik CEO
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# Income Statement

Boa SBL AS

<b>Operating income and operating expenses</b>	<b>Notes</b>	<b>2012</b>	<b>2011</b>
Operating income	2	<u>121 171 039</u>	<u>116 383 926</u>
Operating income		<u><b>121 171 039</b></u>	<u><b>116 383 926</b></u>
Operating expenses ships	11	15 991 266	24 479 212
Payroll expenses	12	38 204 659	36 742 401
Depreciation	4	32 388 768	32 388 768
Other operating expenses	3, 12	<u>10 430 846</u>	<u>10 420 077</u>
Operating expenses		<u><b>97 015 540</b></u>	<u><b>104 030 459</b></u>
Operating profit		<u><b>24 155 499</b></u>	<u><b>12 353 468</b></u>
<b>Financial income and expenses</b>			
Interest income from group entities	12	0	371 754
Other interest income		1 286 331	854 077
Other financial income		21 668 354	24 056 743
Interest expense to group entities	12	9 299 907	10 009 475
Other interest expenses		16 948 705	18 591 004
Other financial expenses		<u>11 489 448</u>	<u>27 145 412</u>
Net financial income and expenses		<u><b>-14 783 375</b></u>	<u><b>-30 463 317</b></u>
Operating result before tax		<u><b>9 372 124</b></u>	<u><b>-18 109 849</b></u>
Tax on ordinary result	9	-3 561 682	-3 493 275
Operating result after tax		<u><b>12 933 806</b></u>	<u><b>-14 616 575</b></u>
Annual net profit		<u><b>12 933 806</b></u>	<u><b>-14 616 575</b></u>
<b>Brought forward</b>			
To other equity	6	12 933 806	0
From other equity	6	<u>0</u>	<u>14 616 575</u>
Total brought forward		<u><b>12 933 806</b></u>	<u><b>-14 616 575</b></u>

# Balance sheet

Boa SBL AS

Assets	Notes	2012	2011
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
Deferred tax asset	9	<u>11 374 366</u>	<u>7 812 685</u>
Total intangible assets		<u>11 374 366</u>	<u>7 812 685</u>
<b>Tangible fixed assets</b>			
Ships	4, 10	<u>527 368 608</u>	<u>559 757 376</u>
Total tangible fixed assets		<u>527 368 608</u>	<u>559 757 376</u>
<b>Financial fixed assets</b>			
Other receivables		<u>4 406 174</u>	<u>7 931 954</u>
Total financial fixed assets		<u>4 406 174</u>	<u>7 931 954</u>
Total fixed assets		<u>543 149 148</u>	<u>575 502 014</u>
<b>Current assets</b>			
<b>Debtors</b>			
Accounts receivables	10	11 325 919	13 058 915
Group receiveables	8	830 344	0
Other receiveables		<u>2 394 231</u>	<u>489 511</u>
Total debtors		<u>14 550 494</u>	<u>13 548 426</u>
Cash and bank deposits	10	26 354 360	44 818 265
Total current assets		<u>40 904 854</u>	<u>58 366 691</u>
Total assets		<u>584 054 002</u>	<u>633 868 705</u>


# Balance sheet

Boa SBL AS


Equity	Notes	2012	2011
<b>Restricted equity</b>			
Share capital	5, 6	200 100 000	200 100 000
Share premium reserve	6	14 000	14 000
Total restricted equity		<u>200 114 000</u>	<u>200 114 000</u>
<b>Retained earnings</b>			
Other equity	6	25 998 910	13 065 105
Total retained earnings		<u>25 998 910</u>	<u>13 065 105</u>
Total equity		<u>226 112 910</u>	<u>213 179 105</u>
<b>Liabilities</b>			
<b>Provisions</b>			
Other provisions	11	8 143 698	780 000
Total provisions		<u>8 143 698</u>	<u>780 000</u>
<b>Other long term liabilities</b>			
Liabilities to financial institutions	7, 10	288 602 449	335 258 998
Group liabilities	8	55 750 438	64 672 631
Total of other long term liabilities		<u>344 352 887</u>	<u>399 931 629</u>
<b>Current liabilities</b>			
Trade creditors		2 906 910	16 858 352
Other short term liabilities		2 537 597	3 119 619
Total short term liabilities		<u>5 444 507</u>	<u>19 977 971</u>
Total liabilities		<u>357 941 092</u>	<u>420 689 600</u>
Total equity and liabilities		<u>584 054 002</u>	<u>633 868 705</u>

Trondheim, 19 February 2013

  
 Ole T. Bjørnevik  
 Chairman of the board

  
 Eskil Bjørnevik  
 Member of the board

  
 Marita Bjørnevik  
 Member of the board

  
 Helge Kvalvik  
 CEO

# Notes to 2012 annual accounts

## **Note 1      Accounting principles**

The annual accounts are established in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles.

### **Principle rule for recording and categorising assets and debts**

Assets intended for long-term ownership or usage are categorised as fixed assets. Other assets are categorised as current assets. Debts to be paid back within a year are also categorised as current assets. Similar criteria are used to categorise short-term and long-term debts.

Fixed assets are valued at purchase cost, and depreciated over the economic lifetime. If the actual value of the fixed assets is lower than the booked value and the decrease in value is not expected to be temporary, devaluation to the actual value is carried out. Fixed assets are depreciated linearly.

Current assets are recorded at the lowest of historical cost and net realisable value.

Other long-term and short-term debts are recognised at nominal value.

### **Assets and debt in foreign currency**

Money items in foreign currency are converted at the rate applicable on the balance sheet date.

### **Receivables**

Accounts receivable and other receivables are entered at nominal value after deducting the provision for expected losses.

The provision for losses is based on an individual assessment of the separate claims.

### **Bank deposits, cash, etc.**

This category includes cash, bank deposits and other forms of payment with an expiration date that is shorter than three months from purchase.

### **Revenue**

Revenues from the sale of services are recognised in the income statement according to the project's level of completion. Revenues are booked at the net sales value at the time of the transaction.

### **Cost**

As a general rule, costs are booked in the same period as the corresponding income. When there is no clear correlation between costs and income, the allocation of costs is made as a "best effort" appraisal.

### **Taxes**

Tax expenses are grouped with operating profit before tax. Taxes are recognised directly in equity to the extent that they relate to equity transactions.

The company entered the Norwegian shipowning tax regime as of 01.01.2008.

Tax cost includes taxes payable (tax on this years taxable income and interest surplus), tonnage tax and change in net deferred taxes.

Deferred tax and deferred tax benefits are entered in net amounts on the balance sheet.

All figures in the notes are quoted in NOK 1 000.

## Notes to 2012 annual accounts

### Note 2 Operating income

Divisions	2012	2011
Offshore activity	121 171	116 384
<b>Sum</b>	<b>121 171</b>	<b>116 384</b>

### Note 3 Personnel compensation, number of employees and loans to employees etc.

The company does not have any personnel. Administrative services are hired from Boa Offshore AS. The Board and the general manager do not receive a salary or other compensation.

#### Auditor

The fee paid in 2012 to Deloitte AS for accounting services was NOK 41 500.

### Note 4 Fixed assets

	Vessels
Acquisition cost on 01.01	648 178
Additions	
Disposals	
<b>Acquisition cost on 31.12</b>	<b>648 178</b>
Accumulated depreciation on 01.01	88 421
Depreciation this year	32 389
<b>Accumulated depreciation on 31.12</b>	<b>120 810</b>
<b>Book value 31.12</b>	<b>527 368</b>
Economic lifespan	20
Depreciation plan	Linear

### Note 5 Share capital and shareholder information

	Shares	Equity share	Voting share
Boa Offshore AS	1 000	100,00 %	100,00 %
<b>Total number of shares</b>	<b>1 000</b>	<b>100,00 %</b>	<b>100,00 %</b>

The company share capital is NOK 200 100 000, 1 000 shares with a nominal value of NOK 200 100.

The company has only one class of shares.

The company is a part of the group Boa Offshore AS. Boa Offshore AS is a part of the group Boa Holding AS. Both of the groups financial statements can be distributed from the office in Trondheim.

### Note 6 Equity

	Share capital	Share premium	Other equity	SUM
Equity 01.01	200 100	14	13 065	213 179
Profit of the year			12 934	12 934
<b>Equity 31.12</b>	<b>200 100</b>	<b>14</b>	<b>25 999</b>	<b>226 113</b>

## Notes to 2012 annual accounts

### Note 7 Long term debt

	2013	2014	2015	2016	2017	→
Instalments	34 011	34 011	34 011	34 011	34 011	118 546

### Note 8 Outstanding accounts with companies within the same group

Liabilities	Long term		Short term	
	2012	2011	2012	2011
Boa Offshore AS	55 750	64 673		
<b>Sum</b>	<b>55 750</b>	<b>64 673</b>	<b>0</b>	<b>0</b>

Receivables	Long term		Short term	
	2012	2011	2012	2011
Boa Offshore AS			830	
<b>Sum</b>	<b>0</b>	<b>0</b>	<b>830</b>	<b>0</b>

### Note 9 Tax

This years tax:	2012	2011
Changes in deferred tax	-3 562	-3 493
<b>This years tax expense</b>	<b>-3 562</b>	<b>-3 493</b>

Tax payable in balance:	2012	2011
This years tax on profit		
<b>Net tax payable</b>	<b>-</b>	<b>-</b>

This years tax basis:	2012	2011
Financial result	-12 720	-12 476
Loss carried forward used	-27 902	-15 426
<b>This years tax basis</b>	<b>-40 623</b>	<b>-27 902</b>

Temporary differences:	2012	2011
Profit and loss account	-40 623	-27 902
Net temporary differences	-40 623	-27 902
Net deferred tax 28 %	-11 374	-7 813

### Note 10 Secured debt

Debt secured by mortgage etc.	2012	2011
Debt to credit institutions	288 602	335 259
<b>Sum</b>	<b>288 602</b>	<b>335 259</b>

Book value of assets mortgaged for debt:	2012	2011
Bank deposits	26 236	44 608
Accounts receivable	11 326	13 059
Vessels	527 369	559 757
<b>Sum</b>	<b>564 931</b>	<b>617 424</b>



## Notes to 2012 annual accounts

### Note 11 Other appropriations for liabilities

The company is making allocations for class costs. The allocations have been made based on estimated time for next periodic class survey. Changes in estimates is spread over the remaining period up to the next drydocking.

### Note 12 Intercompany transactions

The outstanding accounts with group companies are mentioned in note 8.

<b>Operating transactions:</b>	<b>2012</b>	<b>2011</b>
Services		
- Mother company	35 580	36 021
- Sister company	219	404
<b>Total expenses from operating transactions</b>	<b>35 799</b>	<b>36 424</b>
<b>Finance transactions:</b>	<b>2012</b>	<b>2011</b>
Interest income		
- Sister company		373
<b>Total income from finance transactions</b>	<b>0</b>	<b>373</b>
Interest expense		
- Mother company	3 845	3 674
- Sister company		338
Guarantee commision		
- Mother company	5 455	5 997
<b>Total expenses from finance transactions</b>	<b>9 300</b>	<b>10 009</b>

Service to group companies are priced at the same conditions as for external parts.  
Services from group companies are general management and engineering services.  
Financial transactions is priced at the same conditions as for external parts.

## Cash flow statement

Figures in 1 000 NOK	2012	2011
<b>Cash flow from operating activities</b>		
Profit before income taxes	9 372	-18 111
Paid taxes		
Depreciation	32 389	32 389
Currency gain/-loss	-11 380	3 293
Changes in trade receivables and creditors	-12 218	21 779
Changes in receivables from group entities	-9 753	49 574
Changes in other short-term receivables and liabilities	8 403	-14 935
<b>Net cash flow from operating activities</b>	<b>16 812</b>	<b>73 988</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets		3 200
<b>Net cash flow from investing activities</b>	<b>-</b>	<b>3 200</b>
<b>Cash flow from financing activities</b>		
Paid in share capital		
Repayment of long term liabilities	-35 276	-34 121
Raised long term liabilities		
<b>Net cash flow from financing activities</b>	<b>-35 276</b>	<b>-34 121</b>
Net changes in cash and cash equivalents	-18 464	43 067
Cash and cash equivalents at 01.01	44 818	1 750
<b>Cash and cash equivalents at 31.12</b>	<b>26 354</b>	<b>44 818</b>

Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Boa SBL AS

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

We have audited the accompanying financial statements of Boa SBL AS Company, which comprise the balance sheet as at December 31, 2012, and the income statement, showing a profit of NOK 12.933.806 and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *The Board of Directors and the Managing Director's Responsibility for the Financial Statements*

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### *Opinion*

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Boa SBL AS Company as at December 31, 2012, and of



its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

**Report on Other Legal and Regulatory Requirements**

*Opinion on the Board of Directors' report and the allocation of the profit*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements and the going concern assumption, and that the proposal in the financial statements for the allocation of the profit complies with the law and regulations and that the information is consistent with the financial statements.

*Opinion on Registration and Documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Trondheim, 19th of February 2013  
Deloitte AS

Jon Bjørnaas  
State Authorised Public Accountant (Norway)  
(signed)

[Translation has been made for information purposes only]