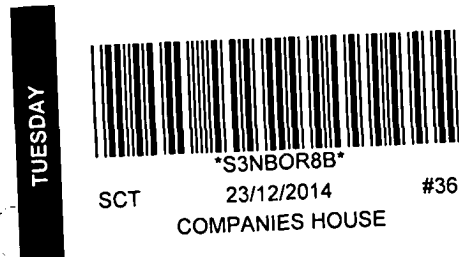


K.D. MARINE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Company Registration Number SC111817



Baker Tilly Tax and Accounting Limited

Chartered Accountants
First Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

K.D. MARINE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

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K.D. MARINE LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 DECEMBER 2013

The director	Hamish Charles Petersen
Company secretary	John Morton Shaw
Business address	Voyager House 75 Waterloo Quay Aberdeen AB11 5DE
Registered office	Voyager House 75 Waterloo Quay Aberdeen AB11 5DE
Auditor	Baker Tilly UK Audit LLP Chartered Accountants First Floor, Quay 2 139 Fountainbridge Edinburgh EH3 9QG
Accountants	Baker Tilly Tax and Accounting Limited Chartered Accountants First Floor, Quay 2 139 Fountainbridge Edinburgh EH3 9QG
Bankers	The Royal Bank of Scotland Plc 12 Golden Square Aberdeen AB10 1DU
Solicitors	Ledingham Chalmers Johnstone House 53-54 Rose Street Aberdeen AB10 1HA

K.D. MARINE LIMITED
DIRECTOR'S REPORT
YEAR ENDED 31 DECEMBER 2013

The director presents his report and the financial statements of the company for the year ended 31 December 2013.

Principal activities

The principal activity of the company during the year was the provision of underwater intervention services and vessel charter to the offshore oil and gas industry.

Director

The director who served the company during the year was as follows:

Hamish Charles Petersen

Director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. 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). 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 year.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- 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 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 him to ensure that the financial statements comply with the Companies Act 2006. He 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.

In so far as the director is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

K.D. MARINE LIMITED
DIRECTOR'S REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2013

Auditor

A resolution to reappoint Baker Tilly UK Audit LLP as auditor for the ensuing year will be proposed at the forthcoming annual general meeting.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed by



Hamish Charles Petersen

Director

Approved by the director on 4th DECEMBER 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF K.D. MARINE LIMITED

We have audited the financial statements of K.D. Marine Limited for the year ended 31 December 2013 on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 2, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

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 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
K.D. MARINE LIMITED (CONTINUED)**

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, 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the director's report.

Baker Tilly UK Audit LLP

Linda Gray, (Senior Statutory Auditor)
For and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
First Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

19/10/14

K.D. MARINE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
Turnover		5,143,887	4,093,956
Cost of sales		(3,685,701)	(3,219,645)
Gross profit		<u>1,458,186</u>	<u>874,311</u>
Administrative expenses		(1,548,634)	(1,602,071)
Operating loss	2	<u>(90,448)</u>	<u>(727,760)</u>
Interest receivable		328	682
Interest payable and similar charges		-	(305)
Loss on ordinary activities before taxation		<u>(90,120)</u>	<u>(727,383)</u>
Tax on loss on ordinary activities	3	8,065	177,782
Loss for the financial year		<u>(82,055)</u>	<u>(549,601)</u>

The notes on pages 8 to 12 form part of these financial statements.

K.D. MARINE LIMITED
Registered Number SC111817

BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	4	801,821	1,065,285
Current assets			
Debtors	5	3,211,758	315,349
Cash at bank		61,947	1,386,133
		<u>3,273,705</u>	<u>1,701,482</u>
Creditors: Amounts falling due within one year	6	<u>(2,027,681)</u>	<u>(608,945)</u>
Net current assets		1,246,024	1,092,537
Total assets less current liabilities		<u>2,047,845</u>	<u>2,157,822</u>
Provisions for liabilities			
Deferred taxation	7	(18,578)	(46,500)
		<u>2,029,267</u>	<u>2,111,322</u>
Capital and reserves			
Called-up share capital	11	100	100
Profit and loss account	12	2,029,167	2,111,222
Shareholders' funds		<u>2,029,267</u>	<u>2,111,322</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These accounts were approved and signed by the director and authorised for issue on 4th December 2014

Hamish Charles Petersen
Director



The notes on pages 8 to 12 form part of these financial statements.

K.D. MARINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Going Concern

No material uncertainties exist that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors, and the financial statements have therefore been prepared on a going concern basis.

Cash flow statement

The company has adopted the Financial Reporting Standard for Smaller Entities (effective April 2008) and is consequently exempt from the requirement to include a cash flow statement in the financial statements.

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year in respect of underwater intervention services and vessel charter to the offshore oil and gas industry, exclusive of Value Added Tax.

Fixed assets

Tangible fixed assets are stated at cost, being purchase price, less depreciation.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Heritable Property	- 2% straight line
Diving Equipment	- 15% straight line
Fixtures & Fittings	- 25% straight line
Motor Vehicles	- 25% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

K.D. MARINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

1. Accounting policies (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 that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Employee benefit trusts

The company has established trusts for the benefit of employees and certain of their dependants. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

2. Operating loss

Operating loss is stated after charging:

	2013	2012
	£	£
Director's remuneration	—	—
Depreciation of fixed assets	263,464	286,853
Auditor's fees	9,100	9,100

K.D. MARINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

3. Taxation on ordinary activities

Analysis of charge in the year

	2013 £	2012 £
In respect of the year:		
UK Corporation tax	22,155	(143,772)
Under/(over) provision in prior year	(2,298)	2,298
	<u>19,857</u>	<u>(141,474)</u>
Deferred tax:		
Origination and reversal of timing differences	(27,922)	(36,308)
Tax on loss on ordinary activities	<u>(8,065)</u>	<u>(177,782)</u>

4. Tangible fixed assets

	Heritable Property £	Diving Equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 January 2013 and 31 December 2013	<u>181,181</u>	<u>2,067,022</u>	<u>80,206</u>	<u>36,783</u>	<u>2,365,192</u>
Depreciation					
At 1 January 2013	12,079	1,186,005	65,040	36,783	1,299,907
Charge for the year	3,624	250,202	9,638	—	263,464
At 31 December 2013	<u>15,703</u>	<u>1,436,207</u>	<u>74,678</u>	<u>36,783</u>	<u>1,563,371</u>
Net book value					
At 31 December 2013	<u>165,478</u>	<u>630,815</u>	<u>5,528</u>	—	<u>801,821</u>
At 31 December 2012	<u>169,102</u>	<u>881,017</u>	<u>15,166</u>	—	<u>1,065,285</u>

5. Debtors

	2013 £	2012 £
Trade debtors	3,005,425	8,212
Corporation tax repayable	—	143,771
VAT recoverable	4,351	47,476
Other debtors	4,800	9,600
Prepayments and accrued income	197,182	106,290
	<u>3,211,758</u>	<u>315,349</u>

K.D. MARINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

6. Creditors: Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	1,666,110	123,791
Corporation tax	22,973	–
PAYE and social security	11,285	8,247
Director's current account (note 10)	240,024	299,732
Other creditors	391	1,857
Accruals and deferred income	86,898	175,318
	<u>2,027,681</u>	<u>608,945</u>

7. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2013	2012
	£	£
At 1 January 2013	46,500	82,808
Profit and loss account movement arising during the year	(27,922)	(36,308)
At 31 December 2013	<u>18,578</u>	<u>46,500</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2013	2012
	£	£
Excess of taxation allowances over depreciation on fixed assets	18,578	46,500
	<u>18,578</u>	<u>46,500</u>

The deferred tax liability of £18,578 (2012: £46,500) has been calculated using a tax rate of 20% (2012: 20%).

8. Commitments under operating leases

At 31 December 2013 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2013	2012
	£	£
Operating leases which expire:		
Within 1 year	8,711	4,938
Within 2 to 5 years	95,000	95,000
	<u>103,711</u>	<u>99,938</u>

K.D. MARINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

9. Contingencies

The company has received assessments from HMRC requesting a payment of £1,769,053 for PAYE and NIC for the period 2007-08, but it disputes that this payment is due. In the event that HMRC are successful in their enquiries, the PAYE and NIC payable would be deductible for corporation tax purposes. If no liability for PAYE and NIC is ultimately due, this may affect the corporate tax deduction which the company has already obtained in respect of these amounts. On this basis the contingent corporation tax amounts to approximately £990,000, excluding interest.

The company plans to continue to defend its position and based on recent case law it has assessed that based on the legislation in place at the year-end it was not probable that it will require to settle the PAYE and NIC covered by these assessments. However, since the year-end, further legislation has been issued which may affect future payments of PAYE.

10. Related party transactions

At the year end £240,024, (2012: £299,732) was owed by the company to the director, Hamish Charles Petersen. The amount is unsecured, interest free and repayable on demand.

Hamish Charles Petersen has also given a personal guarantee for the amount of £30,000 in respect of the company credit card.

11. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

12. Profit and loss account

	2013	2012
	£	£
Balance brought forward	2,111,222	2,660,823
Loss for the financial year	(82,055)	(549,601)
Balance carried forward	<u>2,029,167</u>	<u>2,111,222</u>

13. Ultimate controlling party

The company was under the control of its director, Hamish Charles Petersen throughout the whole of the current and previous years.