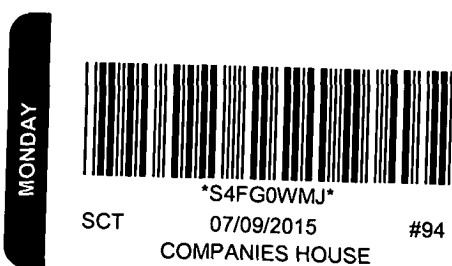


Company Registration No. SC111817 (Scotland)

K.D. MARINE LIMITED
REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014



K.D. MARINE LIMITED

COMPANY INFORMATION

Director	H C Petersen
Secretary	J M Shaw
Company number	SC111817
Registered office	Voyager House 75 Waterloo Quay Aberdeen AB11 5DE
Auditors	Baker Tilly UK Audit LLP First Floor, Quay 2 139 Fountainbridge Edinburgh EH3 9QG
Business address	Voyager House 75 Waterloo Quay Aberdeen AB11 5DE
Bankers	The Royal Bank of Scotland Plc 12 Golden Square Aberdeen AB10 1DU
Solicitors	Ledingham Chalmers

K.D. MARINE LIMITED
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The director presents his report and financial statements for the year ended 31 December 2014.

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 held office during the year and up to the date of signature of the financial statements was as follows:

H C Petersen

Auditors

Baker Tilly UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the board



.....
H C Petersen

Director
.....

K.D. MARINE LIMITED

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 he is 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 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;
- 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.

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

We have audited the financial statements set out on pages 4 to 10. 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 more fully explained 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 <http://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 2014 and of its profit 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 matter 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.

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 directors' 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.



Linda Gray BA CA (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
.....4/9/15..

K.D. MARINE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover		24,875,805	5,143,887
Cost of sales		(15,307,517)	(3,685,701)
Gross profit		9,568,288	1,458,186
Administrative expenses (including exceptional items of £1,769,053)	2	(3,820,380)	(1,548,634)
Operating profit/(loss)		5,747,908	(90,448)
Interest receivable and similar income		6,519	328
Interest payable and similar charges		(136)	-
Profit/(loss) on ordinary activities before taxation	2	5,754,291	(90,120)
Tax on profit/(loss) on ordinary activities	3	(1,630,108)	8,065
Profit/(loss) for the financial year	10	4,124,183	(82,055)

K.D. MARINE LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2014**

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	5		769,724		801,821
Current assets					
Debtors	6	2,228,517		3,211,758	
Cash at bank and in hand		7,507,142		61,947	
		9,735,659		3,273,705	
Creditors: amounts falling due within one year	7	(5,719,508)		(2,027,681)	
Net current assets			4,016,151		1,246,024
Total assets less current liabilities			4,785,875		2,047,845
Provisions for liabilities	8		(32,425)		(18,578)
Net assets			4,753,450		2,029,267
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account	10		4,753,350		2,029,167
Shareholders' funds			4,753,450		2,029,267

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

The financial statements on pages 4 to 10 were approved and signed by the director and authorised for issue on 3/9/15


.....
H C Petersen
Director

K.D. MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

Basis of accounting

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

Going Concern

No material uncertainties 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.

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings freehold	2% straight line
Diving equipment	15% straight line
Fixtures, fittings and equipment	25% straight line
Motor vehicles	25% straight line

Leasing

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.

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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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.

K.D. MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies (Continued)

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	Profit/(loss) on ordinary activities before taxation	2014 £	2013 £
	Profit/(loss) on ordinary activities before taxation is stated after charging:		
	Depreciation of tangible fixed assets		
	- owned	232,146	263,464
	Auditors' remuneration for statutory audit	13,000	9,100

Administrative expenses - exceptional

The company has exceptional costs of £1,769,053 which represents PAYE and NIC potentially due in relation to the period 2007-08 as a result of an HMRC assessment. The company dispute that this payment is due and plan to continue to defend its position.

3	Tax on profit/(loss) on ordinary activities	2014 £	2013 £
	Current tax		
	U.K. corporation tax	1,616,261	22,155
	Adjustment in respect of prior years	-	(2,298)
	Total current tax	1,616,261	19,857
	Deferred tax		
	Origination and reversal of timing differences	13,847	(27,922)
	Total tax on profit/(loss) on ordinary activities	1,630,108	(8,065)

K.D. MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

4	Dividends	2014 £	2013 £
	Interim dividends paid on ordinary shares	1,400,000	-

On 30 September 2014, a dividend of £14,141 (2013: £nil) per share was paid to shareholders.

5	Tangible fixed assets	Land and buildings freehold £	Diving equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
	Cost					
	At 1 January 2014	181,181	2,067,022	80,206	36,783	2,365,192
	Additions	-	193,835	6,214	-	200,049
	At 31 December 2014	181,181	2,260,857	86,420	36,783	2,565,241
	Depreciation					
	At 1 January 2014	15,703	1,436,207	74,678	36,783	1,563,371
	Charge for the year	2,415	223,549	6,182	-	232,146
	At 31 December 2014	18,118	1,659,756	80,860	36,783	1,795,517
	Net book value					
	At 31 December 2014	163,063	601,101	5,560	-	769,724
	At 31 December 2013	165,478	630,815	5,528	-	801,821

6	Debtors	2014 £	2013 £
	Trade debtors	1,602,422	3,005,425
	Other debtors	626,095	206,333
		2,228,517	3,211,758

K.D. MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

7	Creditors: amounts falling due within one year	2014 £	2013 £
	Trade creditors	1,782,435	1,666,110
	Corporation tax	1,583,461	22,973
	Other taxation and social security costs	1,835,512	11,285
	Other creditors	518,100	327,313
		<u>5,719,508</u>	<u>2,027,681</u>

Included in other taxation and social security is a provision for a £1,769,053 taxation payment.

8	Provisions for liabilities	Deferred tax liability £
	Balance at 1 January 2014	18,578
	Profit and loss account	13,847
	Balance at 31 December 2014	<u>32,425</u>

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	<u>32,425</u>	<u>18,578</u>

9	Share capital	2014 £	2013 £
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

10	Profit and loss account	Profit and loss account £
	Balance at 1 January 2014	2,029,167
	Profit for the year	4,124,183
	Dividends paid	<u>(1,400,000)</u>
	Balance at 31 December 2014	<u>4,753,350</u>

K.D. MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

11 Commitments under operating leases

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	2014 £	2013 £
Operating leases which expire:		
Within one year	48,240	8,711
Between two and five years	-	95,000
	<u>48,240</u>	<u>103,711</u>

12 Transactions with directors

During the year dividends of £1,400,000 (2013: £nil) were paid to Hamish Charles Petersen, the director of the company.

13 Control

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

14 Related party relationships and transactions

At the year end £411,409 (2013: £240,024) 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.