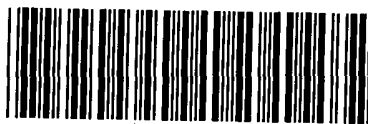


Company Registration No. 08121687 (England and Wales)

**PDI LIMITED**  
**REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2014**

TUESDAY



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# PDI LIMITED

## COMPANY INFORMATION

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<b>Director</b>	J Rasmussen
<b>Company number</b>	08121687
<b>Registered office</b>	3 Shortlands London W6 8DA
<b>Registered auditors</b>	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

# **PDI LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present the strategic report and financial statements of PDI Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 December 2014.

#### **Review of the business**

During the year ended 31 December 2014 the Group's activities comprised project management, specialised engineering support services, offshore support services, procurement support and decommissioning. Its operations were headquartered in Aberdeen and supported projects executed worldwide. As a result of the deterioration in the market for subsea services in 2014 and 2015, the Group's immediate holding company, Ceona Services (UK) Limited, entered administration on 16 September 2015, together with several other related undertakings. As a direct consequence of these events, the Company sought a buyer for its subsidiary undertakings, Project Development International Limited and PDI Mediterranean LLC, and concluded the sale of the businesses on 22 January 2016. Further details are included under "Post balance sheet events" in the Director's Report. The director is considering the future of the Company.

#### **Results and performance**

The results of the group for the year, as set out on pages 8 to 26, show a loss on ordinary activities before tax of £6,376,781 (2013: profit of £1,328,292). This reflects a one-off charge of £8,258,840 relating to the impairment of goodwill. The operational performance of the Group during 2014 produced encouraging results. Turnover for 2014 was £17,460,332. This represents a 1.8% increase on the previous year. Gross profit of £4,603,818 was up 29% on the previous year mainly due to the delivery of higher margin short term projects in a buoyant Subsea market for the first 3 financial quarters. The management team delivered the turnover and gross profit growth on the back of a positive market environment and by maintaining strong relationships with long term customers.

#### **Principal risks and uncertainties**

The process of managing risk is addressed through a framework of policies and procedures and internal controls. All policies and procedures are subject to an ongoing review by management. Compliance with regulation, health and safety, legal and ethical standards is a high priority for the group. Economic and market risks together with supply chain risks are managed by establishing strong partner relationships with both clients and colleagues. The group's success depends on its ability to win projects, deliver them safely and to client satisfaction and respond effectively to changing client needs. Strategic risks are managed by the management team who rigorously control the tendering and pricing process ensuring all the risks and rewards are considered prior to tender. The group's financial instruments comprise cash and liquid resources and arrangements with trade receivables and trade payables, which arise directly from its operations. The main financial risk arises from collectability of trade receivables and the management team is highly focused in this area. The group's success depends in part on the continued service of its senior management and key management, and on its ability to continue to attract, motivate and retain suitably qualified employees. The loss of the services of its senior management or key personnel or the failure to attract experienced personnel as required could harm future operations. In the current oil and gas market, there is a risk that revenue rates fall disproportionately to labour costs. Management ensures a flexibility in the group's labour cost base by maintaining a high proportion of contractors to staff, allowing the ability to reduce headcount and labour cost levels with immediate effect in reaction to changing client requirements.

#### **Key performance indicators**

The primary key performance indicators used by the group to assess its performance include turnover, gross margin and operating profit. The results present a strong trading performance with turnover for the year ended 31 December 2014 of £17,460,332 (2013: £17,145,889) despite a competitive market. Gross profit margins improved from 20.8% in 2013 to 26.4% in 2014. Administrative costs included a one off charge relating to the impairment of goodwill of £8,258,840. This has resulted in an operating loss of £6,376,781 (2013: operating profit of £1,328,292).

Capital expenditure for the year was £79,979 mainly on leasehold improvements, computer equipment and software. The group's cash at bank at 31 December 2014 was £1,245,338 (2013: £1,092,316).

## **PDI LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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#### **Business environment**

The engineering consultancy business is highly competitive with a number of companies offering similar coverage. The group differentiates its services to other players through new concepts, competence and experience helping clients achieve optimum performance from their assets.

Business performance is linked to client project activity. Due to falling oil prices, 2015 was a quieter year for operators and subsea contractors. Historically, the business predominantly generated high value, high margin work from subsea contractors with operator work generally being lower margin secondments. Management have made material progress in shifting the focus to increased work scopes with Operators and earlier project involvement.

On behalf of the board

A handwritten signature in black ink, appearing to read 'John Rasmussen', is written over the printed name.

J Rasmussen

Director

29 February 2016

# **PDI LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2014**

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

#### **Results**

The group's trading loss for the year, after taxation and minority interest was £7,580,355 (2013 profit £947,254).

#### **Directors**

The directorss who held office during the year and up to the date of signature of the financial statements were as follows:

J Rasmussen

M De-Rhune

S Preston

M Ploch

M Preece

(Resigned 9 January 2015)

(Resigned 11 June 2015)

(Appointed 12 January 2015 and resigned 29 July 2015)

(Appointed 11 June 2015 and resigned 25 September 2015)

#### **Auditors**

PricewaterhouseCoopers 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 directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

#### **Strategic report**

In accordance with section 414C(11) of the Companies Act 2006 the group has included a Strategic Report as required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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# **PDI LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2014**

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#### **Post balance sheet events**

On 16 September 2015, certain associated Ceona Group companies (together, the "Amazon Group" as set out in note 23) had made applications to the Courts in Guernsey and the UK to appoint administrators. Messrs. Ernst & Young LLP had been retained as the administrator to the various companies. On the same day Ceona Services US LLC had made a similar application and a US administrator has been appointed to that company also. Included in this group was the immediate parent company of the PDI Group, Ceona Services (UK) Limited.

On 22 January 2016, the company disposed of its subsidiary undertakings. Following the disposal, the director is still considering the future of the company and as such the accounts have been prepared on a going concern basis. There would be no changes to the financial statements if a basis other than going concern was adopted.

#### **Going concern**

Following a review of the current position of the PDI Group and the forecasts prepared, the directors are satisfied that the group has sufficient resources to meet its liabilities as they fall due for at least 12 months from the date of these financial statements and therefore consider the going concern basis of accounting to be appropriate.

On behalf of the board



J Rasmussen

Director

29 February 2016

## **PDI LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors are responsible for preparing the Strategic Report, 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 year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# ***Independent auditors' report to the members of PDI Limited***

## **Report on the financial statements**

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### **Our opinion**

In our opinion, PDI Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2014 and of the group's loss and cash flows 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.
- 

### **What we have audited**

The financial statements, included within the report and financial statements (the "Annual Report"), comprise:

- the group and company balance sheets as at 31 December 2014;
- the consolidated profit and loss account and the statement of total recognised gains and losses for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the director has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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## **Opinion on other matter prescribed by the Companies Act 2006**

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In our opinion, the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

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
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of director's remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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## ***Independent auditors' report to the members of PDI Limited (continued)***

### **Responsibilities for the financial statements and the audit**

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#### **Our responsibilities and those of the directors**

As explained more fully in the Director's Responsibilities Statement set out on page 5, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

#### **What an audit of financial statements involves**

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We conducted our audit in accordance with ISAs (UK & Ireland). 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 group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the director and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the director's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

### **Other matter**

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#### **Group financial statements - prior period financial statements not audited**

The financial statements for the year ended 31 December 2013, forming the corresponding figures of the financial statements for the year ended 31 December 2014, are unaudited.

Kevin McGhee (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
29 February 2016

# PDI LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	Unaudited 2013 £
Turnover		17,460,332	17,145,889
Cost of sales		(12,856,514)	(13,587,053)
Gross profit		4,603,818	3,558,836
Administrative expenses		(11,261,062)	(2,230,544)
Other operating income		280,463	-
(Loss)/profit on ordinary activities before taxation	5	(6,376,781)	1,328,292
Tax on (loss)/profit on ordinary activities	6	(906,382)	(331,944)
(Loss)/profit on ordinary activities after taxation		(7,283,163)	996,348
Minority interests		(297,192)	(49,094)
(Loss)/profit for the financial year	16	(7,580,355)	947,254

The profit and loss account has been prepared on the basis that all operations are continuing operations.

## **PDI LIMITED**

### **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2014**

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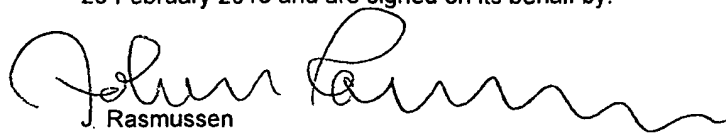
	<b>2014</b>	<b>Unaudited</b>
	<b>£</b>	<b>2013</b>
		<b>£</b>
(Loss)/profit for the financial year	(7,580,355)	947,254
Currency translation differences on foreign currency net investments	(6,082)	(9,293)
<b>Total recognised gains and losses relating to the year</b>	<b>(7,586,437)</b>	<b>937,961</b>

---

**PDI LIMITED**  
**BALANCE SHEETS**  
**AS AT 31 DECEMBER 2014**

	Notes	Group		Company	
		2014	Unaudited 2013	2014	2013
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8	-	8,728,537	-	-
Tangible assets	9	176,816	177,035	-	-
Investments	10	-	-	2,896,250	12,347,928
		<u>176,816</u>	<u>8,905,572</u>	<u>2,896,250</u>	<u>12,347,928</u>
<b>Current assets</b>					
Debtors	11	6,575,556	4,380,432	-	389,664
Cash at bank and in hand		1,245,338	1,092,316	-	-
		<u>7,820,894</u>	<u>5,472,748</u>	<u>-</u>	<u>389,664</u>
<b>Creditors: amounts falling due within one year</b>	12	(3,353,989)	(2,155,731)	(31,792)	(29,464)
<b>Net current assets</b>		<u>4,466,905</u>	<u>3,317,017</u>	<u>(31,792)</u>	<u>360,200</u>
<b>Total assets less current liabilities</b>		<u>4,643,721</u>	<u>12,222,589</u>	<u>2,864,458</u>	<u>12,708,128</u>
<b>Provisions for liabilities</b>	13	(11,488)	(301,111)	-	-
<b>Net assets</b>		<u>4,632,233</u>	<u>11,921,478</u>	<u>2,864,458</u>	<u>12,708,128</u>
<b>Capital and reserves</b>					
Called up share capital	15	4	4	4	4
Share premium account	16	10,178,247	10,178,247	10,178,247	10,178,247
Other reserves	16	(8,212)	(2,130)	-	-
Profit and loss account	16	(6,605,187)	975,168	(7,313,793)	2,529,877
<b>Shareholders' funds</b>	17	<u>3,564,852</u>	<u>11,151,289</u>	<u>2,864,458</u>	<u>12,708,128</u>
<b>Attributable to minority interests</b>	20	<u>1,067,381</u>	<u>770,189</u>	<u>-</u>	<u>-</u>
<b>Total capital employed</b>		<u>4,632,233</u>	<u>11,921,478</u>	<u>2,864,458</u>	<u>12,708,128</u>

The financial statements on pages 8 to 26 were approved by the Board of Directors and authorised for issue on 29 February 2016 and are signed on its behalf by:

  
J. Rasmussen  
Director

# **PDI LIMITED**

## **CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	Unaudited 2013 £
Net cash (outflow)/inflow from operating activities	18	(12,494)	1,371,904
Taxation		245,495	(541,771)
Capital expenditure and financial investment	18	(79,979)	(78,354)
Cash inflow before management of liquid resources and financing		153,022	751,779
Returns on investments and servicing of finance	18	-	(203,205)
<b>Increase in cash in the year</b>		<b>153,022</b>	<b>548,574</b>

### **RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

		2014 £	Unaudited 2013 £
<b>Increase in cash in the year</b>		<b>153,022</b>	<b>548,574</b>
Change in net funds resulting from cash flows		153,022	548,574
<b>Movement in net funds in the year</b>		<b>153,022</b>	<b>548,574</b>
Opening net funds		1,092,316	543,742
Closing net funds	18	1,245,338	1,092,316

# **PDI LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **1 Accounting policies**

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention.

For the year ended 31 December 2013, the Company prepared standalone financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") as it was exempt under s 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements by virtue of it being a wholly owned subsidiary of Ceona Holding Limited. Following the administration of Ceona Holding Limited, the Company is now required to prepare consolidated financial statements for the year ended 31 December 2014 with comparative figures for the year ended 31 December 2013. The Company has elected to prepare these consolidated financial statements in accordance with UK Generally Accepted Accounting Practice ("UK GAAP"). There are no material amendments on adoption of UK GAAP.

The financial statements for the year ended 31 December 2013, forming the corresponding figures of the financial statements for the year ended 31 December 2014, are unaudited because there was no requirement for the company to prepare consolidated financial statements in the year ended 31 December 2013.

#### **Going concern**

On 16 September 2015, certain indirectly associated Ceona Group companies (together, the "Amazon Group" as set out in note 23) had made applications to the Courts in Guernsey and the UK to appoint administrators. Messrs. Ernst & Young LLP had been retained as the administrator to the various companies. On the same day Ceona Services US LLC had made a similar application and a US administrator has been appointed to that company also. Included in this group was the immediate parent company of the PDI Group, Ceona Services (UK) Limited.

On 22 January 2016, the company disposed of its subsidiary undertakings. Following the disposal, the director is still considering the future of the company and as such the accounts have been prepared on a going concern basis. There would be no material changes to the financial statements if a basis other than going concern was adopted.

The group reported a loss of £7,580,355 (2013: profit of £947,254) and has net assets of £4,632,233 (2013: £11,921,478). Following a review of the current position and future forecasts of the group, the director considers the use of the going concern basis of accounting to be appropriate on the basis that the group has sufficient resources to meet its current liabilities as they fall due for the foreseeable future.

#### **Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2014. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from, the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

Historically, the company has been consolidated within the accounts of the "Amazon Group" parent company, Ceona Holding Ltd. As explained above, certain indirectly associated Ceona Group companies, including Ceona Holding Ltd (together the "Amazon Group"), entered administration on 16 September 2015 resulting in the company being required to consolidate its accounts for the year ended 31 December 2014.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account.

# **PDI LIMITED**

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

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### **1 Accounting policies (Continued)**

#### **Turnover**

The turnover shown in the profit and loss account represents the value of all consultancy and fabrication services delivered during the year, at selling price exclusive of Value Added Tax.

Turnover derived from consultancy services are recognised as the service is performed.

Revenues derived from fabrication services are recognised when a right to consideration has been obtained through performance under each contract. Consideration accrues as contract activity progresses by reference to the value of the work performed. Unbilled revenue is included in debtors as accrued income. Amounts billed on account of contracts in progress are shown in deferred revenue, to the extent that they are not recognised as revenue.

#### **Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

The company reviews the goodwill for impairment annually and adjusts accordingly.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets 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:

Short leasehold property	20% straight line
Plant and machinery	25% straight line

#### **Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **Pensions**

The company makes contributions to certain employees' personal pension plans and the pension charge represents the amounts payable by the company to those pension plans in respect of the year. The assets of those personal pension plans are held separately from those of the company in an independently administered fund.

#### **Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### **Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### **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 group after deducting all of its liabilities.

# PDI LIMITED

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

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

#### Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2014 £	Unaudited 2013 £
<b>Geographical segment</b>		
United Kingdom	15,851,831	13,656,354
Rest of Europe	857,850	446,165
Rest of the world	750,651	3,043,370
	<u>17,460,332</u>	<u>17,145,889</u>

### 3 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	Unaudited 2013 Number
Consultancy	42	37
Administration	3	3
	<u>45</u>	<u>40</u>

#### Employment costs

	2014 £	Unaudited 2013 £
Wages and salaries	3,860,504	2,952,577
Social security costs	337,179	328,142
Other pension costs	198,905	179,649
	<u>4,396,588</u>	<u>3,460,368</u>



# PDI LIMITED

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

### 4 Directors' remuneration

	2014 £	Unaudited 2013 £
Remuneration	775,286	357,741
Value of company pension contributions	39,892	19,792
Compensation for loss of office	-	227,000
	<u>815,178</u>	<u>604,533</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2014 £	Unaudited 2013 £
Remuneration for qualifying services	543,141	426,500
Company pension contributions to money purchase pension schemes	26,505	19,792
	<u></u>	<u></u>

### 5 (Loss)/profit on ordinary activities before taxation

	2014 £	Unaudited 2013 £
(Loss)/profit on ordinary activities before taxation is stated after charging/ (crediting):		
Amortisation of intangible assets	469,697	469,697
Impairment of intangible assets	8,258,840	-
Depreciation of tangible fixed assets		
- owned	80,198	72,944
Exchange (gains) on foreign currency borrowings	(1,145)	(14,997)
Operating lease rentals	187,364	227,186
Government grants	(280,463)	-
	<u></u>	<u></u>

### Auditor's remuneration

Amounts payable to PricewaterhouseCoopers LLP (2013: Baker Tilly UK Audit LLP) and their associates in respect of both audit and non-audit services were as follows

	2014 £	Unaudited 2013 £
Audit services		
- statutory audit of financial statements	33,921	15,575
Taxation compliance services	-	2,650
Accountancy services	-	2,600
	<u>33,921</u>	<u>20,825</u>

# PDI LIMITED

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

### 6 Tax on (loss)/profit on ordinary activities

	2014 £	Unaudited 2013 £
<b>Current tax</b>		
U.K. corporation tax	507	(947)
Adjustment in respect of prior years	352,806	(94,292)
Payment in respect of group relief	560,251	423,452
	<u>913,564</u>	<u>328,213</u>
<b>Foreign corporation tax</b>		
Foreign corporation tax	1,115	-
	<u>914,679</u>	<u>328,213</u>
<b>Total current tax</b>	<b>914,679</b>	<b>328,213</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(8,297)	3,731
	<u>906,382</u>	<u>331,944</u>
<b>Total tax on (loss)/profit on ordinary activities</b>	<b>906,382</b>	<b>331,944</b>

# PDI LIMITED

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

### 6 Tax on (loss)/profit on ordinary activities (Continued)

#### Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £	Unaudited 2013 £
(Loss)/profit on ordinary activities before taxation	(6,376,781)	1,328,292
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.5% (2013 - 23.25%)	(1,371,008)	308,828
Effects of:		
Expenses not deductible for tax purposes	1,997,968	8,682
Depreciation in excess of capital allowances	7,106	401
Effect of subsidiaries with different tax rates	106,499	-
R&D tax credits	(29,428)	-
Adjustments to previous periods	352,806	(94,292)
Payment for group relief	(560,251)	(423,452)
Group relief claimed	560,251	423,452
Other tax adjustments	(149,264)	104,594
	2,285,687	19,385
Current tax charge for the year	914,679	328,213

During the year, the UK main corporation tax rate was reduced from 23% to 21%, which was substantively enacted on 3 July 2012, effective from 1 April 2014. Further changes, which were enacted in the Finance Bill 2013 on 2 July 2013, propose to reduce the rate to 20% from 1 April 2015. As such, in accordance with UK GAAP, the rate of 20% is used for calculation of the deferred tax provision at 31 December 2014 (2013: 20%).

Further changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As these changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

### 7 (Loss)/profit attributable to members of the parent company

	2014 £	Unaudited 2013 £
Parent company (loss)/profit for the financial year	(9,843,670)	971,667

# PDI LIMITED

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

### 10 Fixed asset investments Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2014 & at 31 December 2014	12,347,928
<b>Provisions for diminution in value</b>	
At 1 January 2014	-
Charge for the year	9,451,678
At 31 December 2014	9,451,678
<b>Net book value</b>	
At 31 December 2014	2,896,250
At 31 December 2013	12,347,928

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

### Holdings

The company holds the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Project Development International Limited	United Kingdom	Ordinary	82.75
PDI Mediterranean LLC	Egypt	Ordinary	79.44

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Project Development International Limited	Provision of engineering and project management consultancy services to the oil and gas industry
PDI Mediterranean LLC	Provision of engineering and project management consultancy services to the oil and gas industry

On the 22 January 2016, the Company sold its holding in its subsidiary undertakings. As a result of this, the value of the investment related to these subsidiaries was written down to more accurately reflect the investment value.

In the year ended 31 December 2014, a review was undertaken of the carrying value of fixed asset investments which related to the acquisition of the Company's subsidiary undertaking, Project Development International Limited. As a result of this review, the fixed asset investments were impaired in the year.

# PDI LIMITED

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

### 11 Debtors

	Group		Company	
	2014	Unaudited 2013	2014	2013
	£	£	£	£
Trade debtors	1,160,813	2,222,689	-	-
Amounts owed by related undertakings	3,701,972	1,625,484	-	389,664
Corporation tax	-	97,809	-	-
Other debtors	43,306	36,345	-	-
Prepayments and accrued income	1,669,465	398,105	-	-
	<u>6,575,556</u>	<u>4,380,432</u>	<u>-</u>	<u>389,664</u>

### 12 Creditors : amounts falling due within one year

	Group		Company	
	2014	Unaudited 2013	2014	2013
	£	£	£	£
Trade creditors	1,371	1,182,295	-	-
Amounts owed to related undertakings	11,971	25,212	11,971	25,212
Corporation tax	1,062,367	-	-	-
Taxation and social security costs	391,683	326,821	-	-
Accruals and deferred income	1,886,597	621,403	19,821	4,252
	<u>3,353,989</u>	<u>2,155,731</u>	<u>31,792</u>	<u>29,464</u>

# PDI LIMITED

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

### 13 Provisions for liabilities Group

	Deferred tax liability	Other	Total
	£	£	£
Balance at 1 January 2014	19,785	281,326	301,111
Profit and loss account	(8,297)	-	(8,297)
Utilised during the year	-	(281,326)	(281,326)
Balance at 31 December 2014	11,488	-	11,488

#### Other provisions

During the year, the company utilised a provision made in the prior year in relation to the anticipated costs of the closure of the Maidenhead office of £23,000.

The remainder of the other provisions utilised during the year was in relation to compensation paid to a director for loss of office.

The deferred tax liability is made up as follows:

	Group 2014	2013	Company 2014	2013
	£	£	£	£
Other timing differences	11,488	19,785	-	-

### 14 Retirement Benefits

#### Defined contribution scheme

The company makes contributions to certain employees' personal pension plans. The pension charge represents the amounts payable by the company to those pension plans for the year and amounts to £198,905 (2013: £179,649). No contributions were outstanding at either balance sheet dates.

# PDI LIMITED

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

<b>15</b>	<b>Share capital</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Allotted, called up and fully paid</b>		
	4 Ordinary shares of £1 each	<u>4</u>	<u>4</u>

<b>16</b>	<b>Reserves</b>			
	<b>Group</b>			
		<b>Share premium account</b>	<b>Foreign exchange</b>	<b>Profit and loss account</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	Balance at 1 January 2014	10,178,247	(2,130)	975,168
	Loss for the year	-	-	(7,580,355)
	Foreign currency translation differences	-	(6,082)	-
	Balance at 31 December 2014	<u>10,178,247</u>	<u>(8,212)</u>	<u>(6,605,187)</u>

### Company

		<b>Share premium account</b>	<b>Profit and loss account</b>
		<b>£</b>	<b>£</b>
	Balance at 1 January 2014	10,178,247	2,529,877
	Loss for the year	-	(9,843,670)
	Balance at 31 December 2014	<u>10,178,247</u>	<u>(7,313,793)</u>

# PDI LIMITED

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

### 17 Reconciliation of movements in shareholders' funds

	2014	Unaudited 2013
Group	£	£
(Loss)/profit for the financial year	(7,580,355)	947,254
Dividends to minority interests	-	(203,205)
	(7,580,355)	744,049
Other recognised gains and losses	(6,082)	(9,293)
Net (depletion in)/addition to shareholders' funds	(7,586,437)	734,756
Opening shareholders' funds	11,151,289	10,416,533
Closing shareholders' funds	3,564,852	11,151,289

	2014	2013
Company	£	£
(Loss)/Profit for the financial year	(9,843,670)	971,667
Opening shareholders' funds	12,708,128	11,736,461
Closing shareholders' funds	2,864,458	12,708,128

### 18 Notes to the cash flow statement

	2014	Unaudited 2013
Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities	£	£
Operating (loss)/profit	(6,376,781)	1,328,292
Depreciation of tangible assets	80,198	72,944
Amortisation of intangible assets	469,697	469,697
Impairment of goodwill	8,258,840	-
Decrease in debtors	(2,292,933)	(715,102)
Increase in creditors	135,893	(55,962)
Net effect of foreign exchange differences	(6,082)	(9,291)
(Decrease)/increase in provisions	(281,326)	281,326
Net cash (outflow)/inflow from operating activities	(12,494)	1,371,904



# PDI LIMITED

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

### 18 Notes to the cash flow statement (Continued)

#### Analysis of cash flows for headings netted in the cash flow statement

	2014 £	Unaudited 2013 £
<b>Returns on investments and servicing of finance</b>		
Dividends paid to minority interests	-	(203,205)
<b>Net cash outflow from returns on investments and servicing of finance</b>	-	(203,205)
<b>Capital expenditure and financial investment</b>		
Purchase of tangible assets	(79,979)	(78,354)
<b>Net cash outflow from capital expenditure &amp; financial investment</b>	(79,979)	(78,354)

#### Analysis of net funds

	1 January 2014 £	Cash flow £	Other non- cash changes £	31 December 2014 £
<b>Net cash:</b>				
Cash at bank and in hand	1,092,316	153,022	-	1,245,338
<b>Net funds</b>	1,092,316	153,022	-	1,245,338

### 19 Commitments under operating leases

At 31 December 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014 £	Unaudited 2013 £	Other 2014 £	Unaudited 2013 £
<b>Expiry date:</b>				
Within one year	-	-	-	984
Between one and five years	36,000	36,000	-	-
	36,000	36,000	-	984

## PDI LIMITED

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

#### 20 Minority interests

	2014 £	Unaudited 2013 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	1,067,381	770,189

#### 21 Related party relationships and transactions

##### Group

During the year, the group had the following transactions with companies related through common ownership:

The group made payments to Ceona Services UK Limited of £nil (2013: £1,540,000), provided services totalling £1,203,309 (2013: £1,079,269), received funds of £2,123,452 (2013: £523,452) and received a dividend of £nil (2013: £860,000). The amount outstanding as at the year end was £3,483,309 (2013: £1,235,817) and is included in amounts owed by related undertakings as at 31 December 2014 and settled subsequently to the year end.

The group made payments to Ceona Chartering (UK) Limited of £43,806 (2013: £nil). The amount outstanding as at the year end was £43,806 (2013: £nil) and is included in amounts owed by related undertakings as at 31 December 2014 and settled subsequently to the year end.

The group made payments to Ceona Contracting (UK) Limited of £361 (2013: £nil). The amount outstanding as at the year end was £361 (2013: £nil) and is included in amounts owed by related undertakings as at 31 December 2014 and settled subsequently to the year end.

The group made payments to Ceona Ship 1 Limited of £174,496 (2013: £nil). The outstanding as at the year end was £174,496 (2013: £nil) and is included in amounts owed by related undertakings.

##### Group and company:

During the year, PDI Limited had the following transactions with companies related through common ownership:

The company provided services to Ceona Services UK Limited of £4,940 (2013: £389,664). The amount outstanding as at the year end was £nil (2013: £389,664) and is included in amounts owed by related undertakings as at 31 December 2014.

The company received services from Ceona Investments Limited for £4,106 (2013: £7,410). The amount outstanding as at the year end was £4,104 (2013: £7,410) and is included in amounts owed to related undertakings as at 31 December 2014.

The company received services from Ceona Pte Ltd for £7,867 (2013: £7,867). The amount outstanding as at the year end was £7,867 (2013: £17,802) and is included in amounts owed to related undertakings as at 31 December 2014.

#### 22 Control

The immediate parent company is Ceona Services (UK) Limited (in administration).

The ultimate shareholder is Troll Cooperative U.A., incorporated in The Netherlands. The results of PDI Limited are not included in any consolidated financial statements other than the present report.

## **PDI LIMITED**

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

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#### **23 Post Balance Sheet Events**

##### **Group and company**

On 16 September 2015, Ceona Services (UK) Limited, the immediate parent company of the PDI Group, and certain indirectly associated Ceona Group companies (together, the "Amazon Group" as set out below) made applications to the Courts in Guernsey and the UK to appoint administrators. Messrs. Ernst & Young LLP has been retained as the administrator to the various companies. On the same day Ceona Services US LLC made a similar application and a US administrator has been appointed to that company also.

The Amazon Group was made up of the following Companies:

Ceona Holding Ltd	(Guernsey)
Ceona Investments Limited	(UK)
Ceona Services (UK) Limited	(UK)
Ceona Ship Holdings Limited	(UK)
Ceona Ship 1 Limited	(UK)
Ceona Ship 2 Limited	(UK)
Ceona Ship 3 Limited	(UK)
Ceona Equipment Limited	(UK)
Ceona Chartering (UK) Limited	(UK)
Ceona Contracting (UK) Limited	(UK)
Ceona Crewing Limited	(Guernsey)
Ceona Services US LLC	(Delaware)

As a result of the above going into administration, the Group has lost a significant customer.

Following a review of the current position of the PDI group and the forecasts prepared, the directors are satisfied that the group has sufficient resources to meet its liabilities as they fall due for at least 12 months from the date of these financial statements and therefore consider the going concern basis of accounting to be appropriate.

On 22 January 2016, the company disposed of its subsidiary undertakings. Following the disposal, the director is still considering the future of the company and as such the accounts have been prepared on a going concern basis. There would be no material changes to the financial statements if a basis other than going concern was adopted.