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# CEONA Holding Ltd

Company Registration Number 56347

UK Registration Number FC031392

**Financial Statements for the period from 7 March 2013 to 31 December 2013**

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**COMPANY INFORMATION**

<b>Registered office</b>	Ogier House St Julian's Avenue St Peter Port Guernsey GY1 1WA
<b>Principal place of business</b>	3 Shortlands Hammersmith London W6 8DA
<b>Company number</b>	56347
<b>UK establishment number</b>	BR01647
<b>The Board of directors</b>	Mr John Smith Mr Martin Hintze Mr Mike Ebeling Mr Stephen Preston Mr Stuart Cameron Mr Michael De-Rhune Mr Mark Preece Mr Johan Rasmussen
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
<b>Ultimate parent company</b>	Troll Cooperatieve U A

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## **DIRECTORS' REPORT**

**Registered number: 56347**

The directors present their first report and the audited financial statements of Ceona Holding Ltd (the 'Company') for the period from incorporation on 7 March 2013 to 31 December 2013

The Company is a limited liability company incorporated in Guernsey

The address of the registered office and the principal place of business are given on the Company Information page

### **Principal activities and review of the business**

During the period, the Company's principal activity was to act as a parent holding company for the Ceona group of companies ('Ceona Group'). The principal activity of the Ceona Group is to provide offshore support services to the oil and gas industry

During the year, the Ceona Group undertook a corporate reorganisation to accelerate the change in focus from shipping to offshore subsea construction engaging in markets in the US part of the Gulf of Mexico, Brazil, West Africa and the North Sea. As a result, the Company became the parent company of the group following a share for share exchange. As part of this restructure, the Company issued shares for acquiring an indirect interest in the former parent company of the group, Ceona Pte Ltd, a company incorporated in Singapore.

### **Future developments**

The Company will continue to act as a holding company for the Ceona Group for the foreseeable future.

### **Principal risks and uncertainties**

The Company's function as a holding company for the Ceona Group means that it is dependent for its revenues from intra-group transactions and dividends from subsidiaries. These subsidiaries operate in the offshore oil and gas industry in various countries with subsea hydrocarbon reserves. The subsea services sector is subject to a number of commercial, contractual and operational risks.

The financial statements are prepared on a going concern basis. The directors, having made appropriate enquiries, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Company's financial statements.

The risks that the Company is exposed to are managed at a group level and the nature of the risk and the risk management principles applied are disclosed in the consolidated financial statements of the Company which are publicly available at the address disclosed on the Company Information page.

### **Financial instruments risk**

The Company's activities expose it to a variety of financial risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of on the company's financial performance. These risks are managed at a group level and the nature of the risk and risk management principles applied are disclosed in the consolidated financial statements of the Company which are publicly available.

### **Directors**

The directors of the Company who were in office during the period and up to the date of signing the financial statements were

Mr John Smith	(appointed 7 March 2013)
Mr Martin Hintze	(appointed 21 November 2013)
Mr Mike Ebeling	(appointed 30 April 2013)
Mr Stephen Preston	(appointed 7 March 2013)
Mr Mark Preece	(appointed 10 June 2013)
Mr Stuart Cameron	(appointed 7 March 2013)
Mr Stuart Jackson	(appointed 7 March 2013, resigned 20 August 2013)
Mr Michael De-Rhune	(appointed 11 October 2013)
Mr Johan Rasmussen	(appointed 7 March 2013)

### **Share issue**

The Company issued ordinary shares and preference shares details of which are given in note 13 of the financial statements

### **Results and dividends**

The loss for the period amounted to US\$ 62,000 and has been transferred to reserves. The directors do not recommend the payment of a dividend

**Independent auditor**

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the directors,



**Stephen Preston**  
Director  
30 June 2014

**CEONA HOLDING LTD**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing financial statements for each financial period which give a true and fair view, in accordance with the applicable sections of the Companies (Guernsey) Law, 2008 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

On behalf of the directors,



**Stephen J. Preston**  
Director  
30 June 2014

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CEONA HOLDING LTD.**

## **Report on the financial statements**

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### **Our opinion**

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 period 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 (Guernsey) Law, 2008

This opinion is to be read in the context of what we say below

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### **What we have audited**

The financial statements for the period ended 31 December 2013, which are prepared by Ceona Holding Ltd, comprise

- the balance sheet as at 31 December 2013,
- the statement of comprehensive income for the period then ended,
- the statement of changes in equity for the period then ended, and
- the notes to the financial statements, which include a summary of the significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework"

In applying the financial reporting framework, the directors have 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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### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (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 Company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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### **Opinion on other matter**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

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## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CEONA HOLDING LTD (continued)**

### **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 (Guernsey) Law, 2008 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, or
- the financial statements are not in agreement with the accounting records

We have no exceptions to report arising from this responsibility

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### **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 Directors' Responsibilities Statement set out on page 4, the directors are 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 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 Section 262 of the Companies (Guernsey) Law, 2008 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

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*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants  
London  
30 June 2014

# STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2013

	Note	Period 7 March 2013 to 31 December 2013 US\$'000
Administrative expenses		(94)
Other income		-
<b>Operating loss</b>	<b>4</b>	<b>(94)</b>
Other gains	7	11
Finance income	8	3
<b>Loss before income tax</b>		<b>(80)</b>
Taxation	9	18
<b>Loss for the period and total comprehensive loss</b>		<b>(62)</b>

There is no material difference between the loss for the period as shown in the Statement of Comprehensive Income and its historical cost equivalent

The accompanying notes form an integral part of these financial statements

**BALANCE SHEET  
AS AT 31 DECEMBER 2013**

	Note	2013 US\$'000
<b>ASSETS</b>		
<b>Fixed assets</b>		
Investment in subsidiary undertakings	11	356,033
		<u>356,033</u>
<b>Current assets</b>		
Debtors	10	52
Cash in hand and at bank		295
		<u>347</u>
<b>Total Assets</b>		<u><b>356,380</b></u>
<b>EQUITY</b>		
Share capital	13	4,099
Preference shares	13	1,596
Share premium		350,424
Retained loss		<u>(149)</u>
<b>Total Equity</b>		<u><b>355,970</b></u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Creditors Amounts falling due within one year	12	<u>410</u>
<b>Total Equity and Liabilities</b>		<u><b>356,380</b></u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2014. They were signed on the directors' behalf by



Michael De-Rhune  
Director

Ceona Holding Ltd – registered number 56347

The accompanying notes form an integral part of these financial statements

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2013**

	Ordinary shares US\$'000	Preference shares US\$'000	Share premium US\$'000	Retained loss US\$'000	Total US\$'000
As at 7th March 2013	-	-	-	-	-
Issue of ordinary shares	4,099	-	-	-	4,099
Issue of preference shares	-	1,509	-	-	1,509
Premium on issue of share capital	-	-	350,424	-	350,424
Interest on preference shares capitalised	-	87	-	(87)	-
Retained loss for the period	-	-	-	(62)	(62)
As at 31 December 2013	4,099	1,596	350,424	(149)	355,970

## **1. General Information**

The Company is a limited liability company incorporated in Guernsey

The address of the registered office and the principal place of business are given on the Company Information page

The Company was incorporated on 7 March 2013. During the period, the Company's principal activity was to act as a parent holding company for the Ceona group of companies ('Ceona Group'). The principal activity of the Ceona Group is to provide offshore support services to the oil and gas industry. The ultimate parent company and of the Company is Troll Cooperatieve U.A., a cooperative incorporated in the Netherlands.

## **2. Basis of accounting**

### **Presentation of financial statements**

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies (Guernsey) Law 2008 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. The Company has early adopted FRS 101. The Company Information page gives details of the Company's ultimate parent and from where its financial statements prepared in accordance with IFRS may be obtained.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of
  - (i) paragraph 79(a)(iv) of IAS 1,
  - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment,
  - (iii) paragraph 118(e) of IAS 38 Intangible assets
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements,
- the requirements of IAS 7 Statement of Cash Flows,

**Presentation of financial statements (continued)**

- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures,
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member, and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets

The financial statements are presented in United States Dollars (USD, US\$) because that is the currency of the primary economic environment in which the Company operates

The principal accounting policies applied in the preparation of these financial statements are set out in note 3

**3. Summary of principal accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below

**Investments**

Investments are included in the balance sheet at their cost of acquisition. Where appropriate, a provision is made for any impairment in value.

**Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

**Taxation (continued)**

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**Currency translation**

The financial statements are presented in United States Dollars (US\$), which is the functional currency of the Company.

Transactions in a currency other than US\$ ("foreign currency") are translated into US\$ using the exchange rates at the dates of transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

**CEONA HOLDING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the period ending 31 December 2013*

**4. Operating loss**

Operating loss is stated after charging audit fees of US\$52,300 for the period. Auditors remuneration for non-audit fee services was US\$ nil.

**5. Staff costs**

The company does not have any employees.

**6. Director's emoluments**

The emoluments of the directors are paid by an affiliated company within the group of companies of which the Company is the parent. No recharge is made for their services to the Company or any other group company. The total emoluments of the directors are included in the aggregate directors' consolidated emoluments disclosed in note 10 of the consolidated financial statements of the company. Non-executive directors are not employees but have service agreements with the Company.

**7. Other gains**

	Period 7th March 2013 to 31 December 2013 US\$'000
Foreign exchange gains	11

**8. Finance income**

	Period 7th March 2013 to 31 December 2013 US\$'000
Interest income	3



**CEONA HOLDING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the period ending 31 December 2013*

**9. Income tax**

Income tax expense

	Period 7th March 2013 to 31 December 2013 US\$'000
Current income tax credit	18

Factors affecting the tax credit

The Company's tax credit is determined by applying the statutory rate to the net income earned and has been reconciled to a tax rate for the fiscal year 2013 of 23%

	2013 US\$'000
Loss before tax	(80)
Expected tax credit calculated at tax rate of 23%	18
<b>Total current tax credit</b>	<b>18</b>

The Company's tax credit is determined by applying the statutory rate to the net income earned and has been reconciled to a tax rate for the fiscal year 2013 of 23%

The Company operates from the UK and is subject to the UK tax laws as governed by Her Majesty's Revenue and Customs ("HMRC"). The Finance Act 2012 included legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013. Further reductions to 21% (effective 1 April 2014) and 20% (effective 1 April 2015) were enacted in the Finance Act 2013 which received Royal Assent on 17 July 2013.

**10. Debtors**

	2013 US\$'000
Amounts due within one year	52
Amounts due from subsidiary undertakings	-

The amounts due from subsidiary undertakings are interest free, unsecured and repayable on demand.

**11. Investment in subsidiary undertakings**

	2013 US\$'000
<b>Shares in Group companies</b>	
Beginning of the financial period	-
Additions in the period	356,033
<b>End of the financial period</b>	<b>356,033</b>

**CEONA HOLDING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the period ending 31 December 2013*

**Investment in subsidiary undertakings (continued)**

On 1 May 2013, the Company acquired a 100% interest in Ceona Investments Limited. The principal subsidiary undertakings of the Company at 31 December 2013 and 7<sup>th</sup> March 2013 are disclosed in note 34 of the consolidated financial statements. The Company, Ceona Investments Limited, is the only direct investment of the company. All of the other investments in subsidiaries are held through Ceona Investments Limited.

**12. Creditors: Amounts falling due within one year**

	<b>2013</b>
	<b>US\$'000</b>
Amounts due within one year	
Amounts owed to subsidiary undertakings	349
Accrued expenses	61
	<u>410</u>

The amounts owed by the group companies are interest free, unsecured and repayable on demand.

**13. Share capital**

The value and number of ordinary shares issued is provided below:

	<b>Number of shares</b>	<b>Total value of shares US\$'000</b>
<b>Allotted, issued and fully paid</b>		
Ordinary shares of US\$1.00 each	-	-
Class A Ordinary shares of US\$0.10 each	35,403,791	3,541
Class B Ordinary shares of US\$10.00 each	48,948	489
Class C shares of US\$0.01 each	6,947,369	69
		<u>4,099</u>
Preference shares of US\$1.00 each	1,509,474	1,509
Interest on preference shares capitalised	-	87
		<u>1,596</u>

During the period, the following shares were issued: 35,403,791 ordinary 'A' shares with a nominal value of US\$0.10 per share were issued for a cash and non-cash consideration of \$3.5m.

All Class A ordinary shares in the Company shall have an entitlement to dividends and carry a right to vote at general meetings of the Company. Each share is worth 1 vote and has an entitlement to a return of capital (and all dividends declared but unpaid) in the event of the winding up of the Company.

During the period, the following shares were issued: 48,948 ordinary 'B' shares with a nominal value of US\$10.00 per share were issued for a cash and non-cash consideration of \$0.5m.

All Class B ordinary shares in the Company shall have an entitlement to dividends and carry a right to vote at general meetings of the Company. Each share is worth 100 votes and has

**Share capital (continued)**

an entitlement to a return of capital (and all dividends declared but unpaid) in the event of the winding up of the Company

During the period, the following shares were issued 6,947,369 ordinary 'C' shares with a nominal value of US\$0.01 per share were issued for a cash and non-cash consideration of \$69,474

All Class C shares in the Company shall have an entitlement to a return of capital in the event of the winding up of the Company

Preference shares entitle the holder to discretionary accumulative preference dividend distributions equal to 15% per annum of the subscription price but shall have no rights to any further participation in the profits. In the event of a winding up, preference shareholders shall be paid in priority to any other shareholdings of an amount equal to any declared but unpaid dividend, together with the subscription price. Preference shareholders have no rights to any further participation in the capital of the Company. The Company may redeem the preference shares by paying the subscription price together with any declared but unpaid dividends. Preference shareholders are not entitled to receive notice on votes at general meetings of the company.

The excess consideration over and above the par value of the shares has been credited to the share premium account.

**14. Guarantees**

The Company provides guarantees for all financing arrangements to the banks. The guarantees were still in place as at 31 December 2013.

**15. Related parties**

In accordance with FRS 101, transactions with other group companies have not been disclosed. No related party transactions have taken place with companies or individuals outside of these related parties.

**16. Ultimate group undertaking**

The Company's parent undertaking is Troll Management B.V. The ultimate holding company and controlling party at 31 December 2013 was Troll Cooperatieve U.A., a cooperative incorporated in the Netherlands.

**17. Post balance sheet event**

On 14 January 2014 Ceona Equipment Limited and Ceona Ship 1 Limited as borrowers, Ceona Holding Ltd as parent guarantor, and Ceona Services (UK) Limited, Ceona Investments Limited, Ceona Chartering (UK) Limited, Ceona Contracting (UK) Limited and Ceona Ship Holdings Limited as obligors, entered into a US\$ 290 million secured credit and guarantee facility with a group of banks. The credit facility of \$240 million is being used for the construction of the Polar Onyx vertical lay system ("VLS") and the Ceona Amazon construction project with post-delivery maturities of seven and twelve years respectively. Interest is being charged at LIBOR plus a margin for the tranches covering the Polar Onyx VLS and a combination of CIRR and LIBOR plus margins for the tranches covering the

**Post balance sheet event (continued)**

Ceona Amazon construction project For parts of the tranches not paying interest on a CIRR basis, the borrowers have entered into interest rate swaps whereby the companies are paying fixed interest and receiving 3 months LIBOR The US\$ 50 million guarantee facility is available for the issuance of performance guarantees for the Ceona Group