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In accordance with Regulation 32 of the Overseas Companies Regulations 2009

OS AA01

Statement of details of parent law and other information for an overseas company

Companies House

✓ **What this form is for**
You may use this form to accompany your accounts disclosed under parent law

✗ **What this form is NOT fo**
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COMPANIES HOUSE

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A24 24/03/2016 #61
COMPANIES HOUSE

Part 1 Corporate company name

→ **Filling in this form**
Please complete in typescript or in bold black capitals

All fields are mandatory unless specified or indicated by *

Corporate name of overseas company ❶	OIG GIANT II PTE LTD
UK establishment number	B R 0 1 6 4 7 8

❶ This is the name of the company in its home state

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited

Legislation ❷ Singapore Companies Act Chapter 50

❷ This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box

☐ **No** Go to **Section A3**

☑ **Yes** Please enter the name of the organisation or other body which issued those principles below, and then go to **Section A3**

Name of organisation or body ❸ Singapore Financial Reporting Standards

❸ Please insert the name of the appropriate accounting organisation or body

A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box

☐ **No** Go to **Section A5**

☑ **Yes** Go to **Section A4**

OS AA01
Statement of details of parent law and other information for an overseas company

A4 **Audited accounts**

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box ☐ **No** Go to **Part 3 'Signature'** ☑ **Yes** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**	❶ Please insert the name of the appropriate accounting organisation or body
Name of organisation or body ❶	Singapore Standards on Auditing	

A5 **Unaudited accounts**

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box ☐ **No** ☐ **Yes**

Part 3 Signature

I am signing this form on behalf of the overseas company

Signature	Signature X X
	This form may be signed by Director, ~~Secretary, Permanent representative~~

OS AA01

Statement of details of parent law and other information for an overseas company

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form The contact information you give will be visible to searchers of the public record

Contact name

Company name Ceona Services (UK) Limited

in administration

Address 3, Shortlands

Post town London

County/Region

Postcode W 6 8 D A

Country

DX

Telephone

Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register
- ☐ You have completed all sections of the form, if appropriate
- ☐ You have signed the form

Important information

Please note that all this information will appear on the public record

Where to send

You may return this form to any Companies House address

England and Wales
The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

Scotland
The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

Northern Ireland
The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

Further information

For further information, please see the guidance notes on the website at www companieshouse gov uk or email enquiries@companieshouse gov uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

OIG GIANT II PTE. LTD.

(Incorporated in Singapore Registration Number 201111140G)

ANNUAL REPORT

For the financial year ended 31 December 2014

OIG GIANT II PTE LTD

COMPANY INFORMATION

Registered office	16 Collyer Quay # 18-38A Singapore 049318
Company number	201111140G
UK establishment number	BR016478
The Board of directors	Mr Stephen W Fordham Mr Johan Rasmussen
Independent Auditors	PricewaterhouseCoopers LLP Singapore
Parent company	Ceona Pte Ltd
Parent company of Group	Ceona Holding Ltd (in administration) Redwood House St Julian's Avenue St Peter Port Guernsey GY1 1WA
Principal place of business	3 Shortlands Hammersmith London W6 8DA
Ultimate parent company	Troll Cooperatieve U A

OIG GIANT II PTE LTD.

CONTENTS

OIG GIANT II PTE. LTD.

DIRECTORS' REPORT

The directors present their report to the shareholder together with the audited financial statements for the financial year ended 31 December 2014.

Directors

The directors in office during the year and at the date of this report are as follows·

Mr Stephen Fordham	
Mr Johan Rasmussen	
Mr Mark Preece	(appointed on 11 June 2015, resigned on 25 September 2015)
Mr Stuart Cameron	(resigned on 25 September 2015)
Mr Stephen Preston	(resigned on 11 June 2015)
Mr Matthias Ploch	(appointed on 12 January 2015, resigned on 31 July 2015)
Mr Michael De-Rhune	(resigned on 9 January 2015)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except for the following directors who had an indirect interest in shares in Ceona Holding Ltd, via a limited liability partnership as at 1 January, 2014 and also as at 31 December 2014, as follows

	Class A Ordinary shares of $0.10 each	Class B Ordinary shares of $10.00 each	Class C shares of $0 01 each	Preference shares of $1 00 each
Name of Director				
Mr. Stuart Cameron	13,500	-	198,000	43,020
Mr Michael De-Rhune	6,000	-	88,000	19,120
Mr Mark Preece	37,500	-	550,000	119,500
Mr. Stephen Preston	25,500	23,250	715,000	155,350
Mr Johan Rasmussen	15,000	-	220,000	47,800

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company

There were no unissued shares of the Company under option at the end of the financial year

Going concern

In considering the going concern basis for preparing the financial statements, the directors have considered the Company's strategy and objectives, risks and uncertainties in achieving its objectives and its likely mitigating actions should conditions require such actions to be pursued

In view of adverse conditions prevailing in the charter market, the directors believe it will be necessary either to sell the vessel or seek fresh equity funding. Until this is achieved, the directors intend to continue chartering the vessels at a rate sufficient to meet operating expenses, failing which it will resort to temporary storage solutions such as cold- or warm-stacking

The Company meets its funding requirement through term loans which are repayable by 2021 and which require compliance with certain financial covenants, the Company has been in default of those covenants, having suspended payments of interest and principal since June 2015 due to cash flow difficulties caused by reduced charter revenues and delays in collecting outstanding receivables

In view of the fact that the indirect parent of the holding company, Ceona Holding Ltd, entered administration on 16th September 2015, together with a number of its subsidiaries, the Company can no longer rely upon support from shareholders or related parties. All intercompany receivables from entities in administration have been fully impaired in these financial statements

Following negotiations with its lenders, on 26 November 2015 the Company reached a new agreement under which the lenders have confirmed their support for the continued trading of the Company in the ordinary course of business, and confirm they are prepared to provide appropriate funding by way of release of restricted funds from the fixed charge bank account of the Company

OIG GIANT II PTE. LTD.

DIRECTORS' REPORT (continued)

Going concern (continued)

The Company's cash flow forecasts indicate that the access to those funds will enable it to continue to operate as a going concern for the foreseeable future, at least until the end of April 2017 This forecast is subject to risks, and in particular to the continued availability of the funding provided by the Company's lenders While the lenders have indicated their support for the continued trading of the Group to allow for the negotiation of appropriate sale terms for the Company's vessels or of the shares in the Company, there is no obligation on them to continue to provide funding if they elect to adopt a different strategy In such circumstances it would be unlikely that the Company could continue as a going concern unless alternative funding could be sourced at relatively short notice

In addition, it should be noted that following any disposal of the Company's vessel, the Company will no longer own any material assets, and as such its going concern status at such point will be dependent on support from the lenders for a solvent liquidation process, including release of the Company from any outstanding obligations to the lenders

In order to remediate the negative equity position of the Company, on 23 December 2015 the immediate parent Company Ceona Pte Ltd converted $9 886 million of its intercompany receivable into redeemable preference share capital

Independent auditors

The independent auditor, PricewaterhouseCoopers LLP, has expressed their willingness to accept re-appointment.

On behalf of the directors

Mr. Johan Rasmussen
Director
29 February 2016

Mr Stephen Fordham
Director

OIG GIANT II PTE. LTD.

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Company as set out on pages 7 to 35 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2014 and of the results of the business, changes in equity and cash flows of the Company for the financial year then ended, and

(b) The Company has achieved a temporary arrangement with its lenders whereby it has agreed to pay interest only and no principal while the Company's shareholder is seeking a sale of the Company and its vessel In addition, the Company's lenders have agreed to a temporary release of pledged cash to enable the Company to continue solvent trading.

On behalf of the directors

Mr Johan Rasmussen	Mr Stephen Fordham
Director	Director
29 February 2016	

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OIG GIANT II PTE. LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of OIG Giant II Pte. Ltd (the "Company") set out on pages 7 to 35, which comprise the balance sheet as at 31 December 2014, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OIG GIANT II PTE LTD (CONTINUED)

Emphasis of matter

We draw attention to Note 2 to these financial statements, which states that OIG Giant II Pte. Ltd. incurred a net loss of US$ 43.689 million during the year ended 31 December 2014 and, as of that date, the Company's current liabilities exceeded its current assets by US$16.566 million. This, along with other matters described in Note 2, indicates the existence of a material uncertainty which may cast significant doubt about the ability of OIG Giant I Pte Ltd to continue as a going concern Our opinion is not qualified in respect of this matter

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December 2014, and of the annual performance, changes in equity and cash flows of the Company for the financial year ended on that date

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants

Singapore, 29 February 2016

OIG GIANT II PTE LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		2014			2013		
	Note	US$'000 Before exceptional items	US$'000 Exceptional items (Note 11)	US$'000 Total	US$'000 Before exceptional items	US$'000 Exceptional items (Note 11)	US$'000 Total
Continuing operations							
Revenue	6	18,250	-	**18,250**	26,029	-	26,029
Cost of sales		(13,548)	(53,946)	**(67,494)**	(13,279)	(22,754)	(36,033)
Gross profit / (loss)		**4,702**	**(53,946)**	**(49,244)**	12,750	(22,754)	(10,004)
Administrative expenses		(179)	-	**(179)**	(108)	-	(108)
Operating profit / (loss)	7	**4,523**	**(53,946)**	**(49,423)**	12,642	(22,754)	(10,112)
Other losses	8	6,539	-	**6,539**	(2,522)	-	(2,522)
Finance costs	9	(802)	-	**(802)**	(1,408)	-	(1,408)
Profit / (loss) before income tax		**10,260**	**(53,946)**	**(43,686)**	8,712	(22,754)	(14,042)
Income tax	10	(3)	-	**(3)**	(2)	-	(2)
Profit / (loss) after tax and comprehensive income / (loss)		**10,257**	**(53,946)**	**(43,689)**	8,710	(22,754)	(14,044)

The accompanying notes form an integral part of these financial statements.

OIG GIANT II PTE. LTD.

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	2014 US $'000	2013 US $'000
ASSETS			
Non-current assets			
Vessel	12	48,625	104,000
Property, plant and equipment	13	-	-
Restricted cash	16	4,499	5,102
		53,124	109,102
Current assets			
Inventories	14	805	-
Trade and other receivables	15	47,682	27,254
Cash and cash equivalents	16	2,354	1,933
Current income tax asset		-	22
		50,841	29,209
Total Assets		103,965	138,311
EQUITY			
Share capital	17	50	50
Redeemable Preference Shares	17	35,114	-
Retained losses		(44,398)	(709)
Total Equity		(9,234)	(659)
LIABILITIES			
Non-current liabilities			
Borrowings	19	45,792	60,058
		45,792	60,058
Current liabilities			
Trade and other payables	18	59,674	47,217
Borrowings - current portion	19	7,332	28,250
Provisions	20	-	3,445
Accruals		401	-
		67,407	78,912
Total Liabilities		113,199	138,970
Total equity and liabilities		103,965	138,311

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Share Capital	Redeemable preference shares	Retained (losses)/ profits	Total equity
		US$'000	US$'000	US$'000	US$'000
2013					
Beginning of financial year		50	-	13,335	13,385
Loss after tax		-	-	(14,044)	(14,044)
End of financial year		50	-	(709)	(659)
2014					
End of financial year		50	-	(709)	(659)
Issue of redeemable preference shares	17	-	35,114	-	35,114
Loss after tax		-	-	(43,689)	(43,689)
End of financial year		50	35,114	(44,398)	(9,234)

The accompanying notes form an integral part of these financial statements.

OIG GIANT II PTE. LTD

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 US$'000	2013 US$'000
Cash flows from operating activities			
Loss after tax		(43,689)	(14,044)
Adjusted for:			
- Depreciation		5,215	5,956
- Impairment of vessels and property, plant and equipment		54,555	19,309
- Income tax charge		3	2
- Interest expense		802	1,408
Cash generated from operations		16,886	12,631
Changes in net working capital			
- Trade and other receivables		(20,428)	1,437
- Trade and other payables		12,457	(4,569)
- Provisions		(3,445)	3,445
- Other current liabilities		401	-
- Inventories		(805)	158
Income tax paid		(22)	(24)
Net cash provided by operations		5,044	13,078
Cash flows from investing activities			
Vessel improvements and dry-docking		(4,395)	(4,956)
Net cash used in investing activities		(4,395)	(4,956)
Cash flow from financing activities			
Repayment of borrowings		(35,184)	(5,333)
Interest paid		(761)	(1,408)
Proceeds of issue of preference shares		35,114	-
Restricted cash		603	(218)
Net cash used in financing activities		(228)	(5,551)
Net increase in cash and cash equivalents		421	1,163
Cash and cash equivalents at beginning of year	16	1,933	770
Cash and cash equivalents at end of year	16	2,354	1,933
Analysis of cash and cash equivalents at end of financial year			
Cash and bank balances including restricted cash		6,853	7,035
Less Non-current restricted cash		(4,499)	(5,102)
Cash and cash equivalents at end of year		2,354	1,933

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1 General Information

OIG Giant II Pte. Ltd. is a limited liability company incorporated in Singapore, however from 30 April 2014, the Company has operated entirely from its principal place of business in the United Kingdom

The address of the registered office is 16 Collyer Quay, #10-38A, Singapore 049318.

The principal activity of the Company is the owning and leasing of a light construction vessel to provide offshore services to the oil and gas industry

2. Basis of accounting

Presentation of financial statements

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

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies It also requires the use of certain critical accounting estimates and assumptions The areas involving a high degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3

The principal accounting policies applied in the preparation of these financial statements are set out in Note 4 Unless otherwise stated, these policies have been consistently applied to all periods presented

Interpretations and amendments to published standards effective in 2014

On 1 January 2014, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions of the respective FRS and INT FRS

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial year.

2. Basis of accounting (continued)

Going concern assumption

The parent company of the Ceona Holding Limited group entered administration on 16 September 2015, together with several other group undertakings. The Company incurred a loss in 2014 of US$ 43 689 million (2013· US$ 14 044 million), and the current liabilities of the Company exceeded the current assets by US$16 566 million as at 31 December 2014 (2013: US$ 49.703 million)

In considering the going concern basis for preparing the financial statements, the directors have considered the Company's strategy and objectives, risks and uncertainties in achieving its objectives and its likely mitigating actions should conditions require such actions to be pursued.

In view of adverse conditions prevailing in the charter market, the directors believe it will be necessary either to sell the vessel or seek fresh equity funding Until this is achieved, the directors intend to continue chartering the vessels at a rate sufficient to meet operating expenses, failing which it will resort to temporary storage solutions such as cold- or warm-stacking.

The Company meets its funding requirement through term loans which are repayable by 2021 and which require compliance with certain financial covenants, the Company has been in default of those covenants, having suspended payments of interest and principal since June 2015 due to cash flow difficulties caused by reduced charter revenues and delays in collecting outstanding receivables

In view of the fact that the indirect parent of the holding company, Ceona Holding Ltd, entered administration on 16th September 2015, together with a number of its subsidiaries, the Company can no longer rely upon support from shareholders or related parties All intercompany receivables from entities in administration have been fully impaired in these financial statements.

Following negotiations with its lenders, on 26 November 2015, the Company reached a new agreement under which certain covenants are modified, such that repayment of loan principal is deferred

Following negotiations with its lenders, on 26 November 2015 the Company reached a new agreement under which the lenders have confirmed their support for the continued trading of the Company in the ordinary course of business, and confirm they are prepared to provide appropriate funding by way of release of restricted funds from the fixed charge bank account of the Company.

The Company's cash flow forecasts indicate that the access to those funds will enable the Company to continue to operate as a going concern for the foreseeable future, at least until the end of December 2016. This forecast is subject to risks, in particular the continuing compliance with covenants, and the continuing support of the lenders.

2. Basis of accounting (continued)

Going concern assumption (continued)

While the lenders have indicated their support for the continued trading of the Group to allow for the negotiation of appropriate sale terms for the Company's vessels or of the shares in the Company, there is no obligation on them to continue to provide funding if they elect to adopt a different strategy In such circumstances it would be unlikely that the Company could continue as a going concern unless alternative funding could be sourced at relatively short notice These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern

In addition, it should be noted that following any disposal of the Company's vessel, the Company will no longer own any material assets, and as such its going concern status at such point will be dependent on support from the lenders for a solvent liquidation process, including release of the Company from any outstanding obligations to the lenders

In order to remediate the negative equity position of the Company, in December 2015 the immediate parent Company Ceona Pte Ltd converted a portion of its intercompany receivable into redeemable preference share capital

3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

Impairment of vessel

The vessel is tested for impairment whenever there is any objective evidence or indication that these assets may be impaired

During 2014, the Company undertook a review of the carrying amount of the vessel which indicated an impairment charge of US$ 54.555 million (2013: US$ 17 245 million).The resulting carrying amount of the vessel is US$ 48.625 million (2013 US$ 104.000 million) This valuation was determined on the basis of the gross debt secured on the vessel less restricted cash as at 31 December 2014. In the view of the Directors, this represents the value of the offshore light construction vessel in the prevailing market, and is consistent with the basis of the offers received from potential buyers of the vessel

3 Critical accounting estimates, assumptions and judgements (continued)

Useful life of vessel

The Company's business is fairly capital intensive and the annual depreciation of the vessel forms a significant component of total costs charged to the income statement. Management reviews, and adjusts as appropriate, the useful life of the vessel at each balance sheet date in accordance with its accounting policy

The estimated useful life of vessel is an estimate by Management based on a variety of factors such as historical experience and expectations regarding future operations, performance and utilisation of assets Management believes that the experience of the Company and supporting data based on market information support the view that the vessel will have an estimated useful life of up to 25 years

A reduction in the estimated useful life of the vessel would increase depreciation expense and decrease non-current assets There has been no significant change in the estimated useful life of the Company's vessel during the financial year

4 Summary of principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated

4 1. Revenue recognition

Revenue received for the provision of services under charter agreements is recognised in the accounting period in which such services are rendered The revenue amount is measured by the fair value of the consideration received or to which there will be an entitlement. Revenue is recognised net of value added tax (if any) and reductions (if any) in earnings

4.2 Leases

Operating leases where the Company is the lessor

Leases of the vessel where the Company retains substantially all risks and rewards incidental to ownership are classified as operating leases Charter hire income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Company in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

4. Summary of principal accounting policies (continued)

4.3. Borrowing costs

Interest-bearing loans are recorded at the proceeds received, net of direct issue costs plus accrued interest less any repayments, and subsequently stated at amortised costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use of sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in net income or loss in the period in which they are incurred

4.4. Income taxes

The tax expense for the period comprises current and deferred tax Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity In this case, the tax is also recognised in other comprehensive income or 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 operates and generates taxable income The Company 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

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.

4. Summary of principal accounting policies (continued)

4.5. Inventories

Inventories comprise mainly materials and fuel oil remaining on board the vessels, spares and other consumables Inventories are carried at the lower of cost or net realisable value, using the average costing method The cost of purchase of inventories comprises the purchase price, import duties and other taxes, transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services Trade discounts, rebates and other similar items are deducted when determining the costs of the purchase Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses

4 6. Trade and other receivables

Trade and other receivables are initially recognised at their fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets

4.7. Trade and other payables

Trade and other payables represent unpaid liabilities for goods and services provided to the Company prior to the end of financial period They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer) If not, they are presented as non-current liabilities

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method

4. Summary of principal accounting policies (continued)

4.8. Borrowings

Borrowings are initially recognised at their fair values (net of transaction costs) and subsequently carried at amortised cost Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

Borrowings which are due to be settled within 12 months after the balance sheet date are presented as current liabilities even if the lender has agreed post the balance sheet date and before the authorisation of the financial statements for issue, to refinance, or to reschedule payments, on a long-term basis because at the balance sheet date, the Company does not have an unconditional right to defer settlement for at least 12 months after that date.

4 9 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with a maturity of three months or less For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts

4.10 Currency translation

The financial statements are presented in United States Dollar ("USD), which is the functional currency of the Company

Transactions in a currency other than US$ ("foreign currency") are translated into USD 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 Non-monetary items measured at fair values in foreign currency are translated using the exchange rates at the date when the fair values are determined. Currency translation differences on these items are included in the fair value reserve

Foreign exchange gains and losses that relate to borrowings are presented within 'other losses'.

4.11. Provisions

Provisions are recognised when

- The Company has a present legal or constructive obligation as a result of past events,
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount has been reliably estimated.

Provisions are not recognised for future operating losses

4. Summary of principal accounting policies (continued)

4.11. Provisions (continued)

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows Where discounting is used, the increase in the provision due to passage of time is recognised as an interest expense

4.12. Vessel and property, plant and equipment

Vessel and property, plant and equipment are initially recognised at historical cost, less depreciation and any recognised impairment loss Historical cost includes expenditure that is directly attributable to the construction of the items

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts less their residual values over their estimated useful lives, as follows.

Vessels	25 years
Specialised Equipment	10-15 years

Included in the vessels are the following·

(i) Dry-dock expenditure incurred to maintain a vessel's classification is capitalised as a distinct component of the asset and depreciated over the period until the next dry docking is scheduled for the vessel. All other repair and maintenance costs are recognised in the income statement as incurred; and

(ii) Expenditure incurred to build additional (removable) crew accommodation on the vessel is capitalised as a distinct component of the asset and depreciated over its useful life

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other losses' in the income statement

4. Summary of principal accounting policies (continued)

4.13. Impairment of non-financial asset

An asset is reviewed for impairment whenever there is any indication that this asset may be impaired

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years A reversal of the impairment loss for an asset is recognised in the profit or loss

4 14 Exceptional items

Items which are both material and non-recurring as judged by management, are presented as exceptional items within their relevant income statement lines. The separate reporting of exceptional items helps provide a better indication of underlying performance of the Company.

Examples of items which may be recorded as exceptional items are.

- Profit / Loss on disposal of assets,
- Impairment charges,

4 15. Share capital

Issued ordinary and preference shares are classified as equity. Redeemable preference shares which are classified as redeemable at the option of the Group and have discretionary dividends are classified as equity

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds

5. Financial risk management

The Company's activities expose it to a variety of financial risks.

- Funding and liquidity risk
- Foreign exchange risk
- Credit risk
- Cash flow and fair value interest risk
- Covenant risk
- Capital risk

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company will from time to time consider using derivative financial instruments to hedge certain risk exposures.

Risk is managed on a group basis, identifying, evaluating and hedging financial risks as deemed appropriate

(a) Funding and liquidity risk

The Company manages liquidity risk by maintaining adequate short-term cash balances and the availability of funding from its immediate holding corporation

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows

	2014	2013
	US$'000	US$'000
Bank borrowings	53,124	68,363
Trade and other payables	59,674	47,217
Due to immediate holding corporation	-	19,945
	112,798	135,525

	2014	2013
	US$'000	US$'000
Amounts falling due within one year	67,006	75,467
Amounts falling due with two to four years	21,997	24,914
Over four years	23,795	35,144
	112,798	135,525

5. Financial risk management (continued)

(a) Funding and liquidity risk (continued)

The Company has achieved a temporary arrangement with its lenders whereby it has agreed to pay interest only and no principal while the Company's shareholder is seeking a sale of the Company and its vessel In addition, the Company's lenders have agreed to a temporary release of pledged cash to enable the Company to continue solvent trading

(b) Foreign exchange risk

The Company is exposed to changes in the Euro Dollar exchange rate as the bank borrowings and restricted cash balances are denominated in Euro

The Company's currency exposure to the Euro is as follows:

	2014	2013
	US$'000	US$'000
Financial assets		
Restricted bank balances	4,499	5,104
Financial liabilities		
Bank borrowings	(53,124)	(68,363)
Currency exposure- financial liability (net)	(48,625)	(63,259)

At 31 December 2014, if the Euro currency weakened/strengthened by 10% (2013·10%) against the USD with all other variables held constant, the loss for the year before tax would have been US$4 9 million higher/lower (2013 US$6 3 million higher/lower)

In considering the strategy for risk mitigation, the approved investment budgets and related cash flows, with defined currencies, are reviewed by the Treasury department which will decide if any hedging contracts shall be entered into. As of 31 December 2014, the Treasury department decided not to enter in any hedging contracts

(c) Cash flow and fair value interest risk

The Company's interest rate risk arises from long term borrowings. Borrowings issued mainly at variable rates expose the Company to cash flow interest risk. The Company's borrowings are denominated in Euro The immediate holding corporation manages part of the Company's cash flow interest rate risk by using floating to fixed interest rate swaps Such interest rate swaps have the economic effect of correcting borrowings from floating to fixed rates As of 31 December 2014, if interest rates on the borrowings had been 10% (2013. 10%) higher/lower with all other variables constant, the profit before tax for the year would have been US$ $47,576 lower/higher (2013 US$ 95,836), mainly as a result of higher/ lower interest expenses on floating rate borrowings.

5. Financial risk management (continued)

(d) Credit risk

Credit risk is managed on group basis Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables and committed transactions For banks and financial institutions, only independently rated parties with a very strong credit rating are accepted. For client counterparties, if there is no independent rating, risk control assesses the credit quality of the client, taking into account its financial position, past experience and other factors Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors Receivables from group companies are also assessed for collectability

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet The Company's major classes of financial assets are bank deposits and trade and other receivables.

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Company

(ii) Financial assets that are past due and/or impaired

There are no financial assets that are past due and/or impaired.

(e) Covenant risk

The Company's credit facilities are subject to meeting certain financial covenants The Company monitors covenants on an ongoing basis with formal testing of financial covenants in line with the Company's financing agreements The Company was in compliance with those covenants throughout 2014, but has been in default since June 2015, having suspended payments of interest and principal due to cash flow difficulties caused by reduced charter revenues and delays in collecting outstanding receivables.

In view of the fact that the indirect parent of the holding company, Ceona Holding Ltd, entered administration on 16th September 2015, together with a number of its subsidiaries, the Company can no longer rely upon support from shareholders or related parties. All intercompany receivables from entities in administration have been fully impaired in these financial statements

Following negotiations with its lenders in November 2015, the Company has reached a new agreement under which certain covenants are modified, such that repayment of loan principal is deferred

5 Financial risk management (continued)

(e) Covenant risk (continued)

In addition, the lenders have confirmed their support for the continued trading of the Giant Companies in the ordinary course of business, and confirm they are prepared to provide appropriate funding by way of release of restricted funds from the Fixed Charge Accounts

Additional interest charges are incurred on overdue payments of principal and interest.

(f) Capital risk

The Company's objectives when managing capital are to ensure that the Company is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments when necessary.

The Board of Directors monitors its capital based on net debt and total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank deposits. Total capital is calculated as equity plus net debt

	2014	2013
	US$'000	US$'000
Net debt	106,346	128,490
Total equity	(9,234)	(659)
Total capital	97,112	127,831

Financial covenants are monitored by management The Company was in compliance with all externally imposed capital requirements for the year ending 31 December 2014

Since 30 June 2015, the Company has fallen into arrears of quarterly payments of principal and interest Following negotiations with its lenders, on 26th November 2015 the Company reached a new agreement under which certain covenants are modified, such that repayment of loan principal is deferred.

5 Financial risk management (continued)

(g) Fair value measurements and financial instruments by category

Carrying values, fair values and the corresponding category of the financial assets and liabilities of the Company are stated below:

	Categories	Carrying amount 2014 US $'000	Carrying amount 2013 US $'000	Fair value 2014 US $'000	Fair value 2013 US $'000
Assets					
Trade receivables	LaR	47,682	27,254	47,682	27,254
Cash and cash equivalents	LaR	6,853	7,035	6,853	7,035
Liabilities					
Borrowings (non-current)	FLAC	45,792	60,058	45,792	63,031
Borrowings (current)	FLAC	7,332	28,250	7,332	28,250
Trade and other payables	FLAC	59,674	47,217	59,674	47,217
Provisions	FLAC	-	3,445	-	3,445
Categories					
Loans and receivables	LaR	54,535	34,289	54,535	34,289
Liabilities at amortised cost	FLAC	113,199	138,970	113,199	141,943

LaR Loans and receivables

FLAC· Financial liabilities at amortised cost

The fair value of the Company's short term trade and other receivables, cash and cash equivalents, other financial assets, trade and other payables as well as short term borrowings equals their carrying amounts due to short term nature of the financial instruments The fair value of the long term borrowing of the Company is determined using an effective interest rate method considering the market interest rate at year end which is slightly different from carrying amounts because interest rates are adjusted to market conditions every 3 months

6. Revenue

	2014	2013
	US$'000	US$'000
Charter hire income	18,250	26,029

7. Operating profit / (loss)

Operating profit / (loss) is stated after charging/(crediting):

	2014	2013
	US$'000	US$'000
Depreciation (Note 12)	5,215	5,956
Impairment of vessel (Note 12)	54,555	17,245
Impairment of property plant and equipment (Note 13)	-	2,064
Provision for ship management cost (Note 20)	(609)	3,445
Audit fee	69	34

8 Other losses

	2014	2013
	US$'000	US$'000
Foreign exchange gain/(loss) on borrowings	7,552	(2,788)
Other foreign exchange (losses)/gains - net	(1,013)	266
	6,539	(2,522)

9. Finance costs

	2014	2013
	US$'000	US$'000
Interest on bank borrowings	802	904
Other financial costs	-	504
	802	1,408

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

10. Income tax

	2014	2013
	US$'000	US$'000
Tax expenses attributable to loss is made up of		
Current income tax	3	2

Factors affecting the tax charge

The tax on the Company's loss differs from the theoretical amount that would arise using the Company's blended tax rate of 21 49% (2013· 21.00%) as follows.

	2014	2013
	US$'000	US$'000
Loss before tax	(43,686)	(14,042)
Expected tax credit calculated at tax rate of 21 49% (2013 21 00%)	(9,388)	(2,949)
- Income not subject to tax	-	(1,353)
- Losses not subject to tax	9,391	-
- Expenses not deductible for tax purposes	-	4,304
Tax charge	3	2

The Company's tax charge is determined by applying the statutory rate to the net income earned in each of the jurisdictions in which it operates and has been reconciled to a blended tax rate for the fiscal year 2014 of 21 49% (2013 21 00%)

The Company is resident in the United Kingdom ("UK") for tax purposes The Finance Act 2013, which received Royal Assent on 17 July 2013, included legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and to further reduce the main rate of corporation tax from 21% to 20% (effective 1 April 2015)

The Company has received clearance from Her Majesty's Revenue and Customs ("HMRC") that the relevant shipping profits of the Group will be subject to the beneficial UK Tonnage Tax regime from 30 April 2013. Thus, the profits earned by the Company in the 2014 year shall be subject to UK corporation tax by reference to the net tonnage of the ships operated by the Company The tonnage tax profit replaces both the tax-adjusted commercial profit/loss on a shipping trade and the chargeable gains/losses made on tonnage tax assets Other profits of the Company are taxable in the normal way. There is no deferred tax arising in relation to the Company's property, plant and equipment as the tax base does not differ from the net book value and is not expected to whilst the Company's shipping operations are within the UK Tonnage Tax regime

11. Exceptional Items

	2014	2013
	US$'000	US$'000
Impairment of vessel	54,555	17,245
Impairment of property, plant and equipment	-	2,064
Termination of ship management agreement	(609)	3,445
	53,946	22,754

This is classified in the income statement as cost of sales.

Impairment of vessel

During 2014, the Company undertook a review of the carrying amount of the vessel which indicated an impairment charge of US$ 54 555 million (2013· US$ 17 245 million) The resulting carrying amount of the vessel is US$ 48.625 million (2013 US$ 104 000 million).This valuation was determined on the basis of the gross debt secured on the vessel less restricted cash as at 31 December 2014 In the view of the Directors, this represents the value of the offshore light construction vessel in the prevailing market, and is consistent with the basis of the offers received from potential buyers of the vessel.

Termination of ship management agreement

A provision of US$3 4 million was established in 2013 in respect of the cost associated with the termination of a ship management agreement The provision was utilised in 2014 and the excess portion of US$0.6 million was released

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

12. Vessel

	US$'000
Cost	
At 1 January 2014	134,123
Additions	4,395
At 31 December 2014	138,518
Accumulated depreciation and impairment	
At 1 January 2014	30,123
Depreciation charge	5,215
Impairment charge (Note 11)	54,555
At 31 December 2014	89,893
Net book value	
At 31 December 2014	48,625

	US$'000
Cost	
At 1 January 2013	133,290
Additions	833
At 31 December 2013	134,123
Accumulated depreciation and impairment	
At 1 January 2013	6,922
Depreciation charge	5,956
Impairment charge (Note 11)	17,245
At 31 December 2013	30,123
Net book value	
At 31 December 2013	104,000

Bank borrowings (Note 19) of the Company are fully secured by a mortgage on the vessel

13. Property, plant and equipment

	Specialised equipment US$'000
Cost	
At 1 January 2014	2,064
Disposal	(2,064)
At 31 December 2014	-
Accumulated depreciation	
At 1 January 2014	2,064
Disposal	(2,064)
At 31 December 2014	-
Net book value	
At 31 December 2014	-

	US$'000
Cost	
At 1 January 2013	14,285
Additions	4,123
Disposals	(16,344)
At 31 December 2013	**2,064**
Accumulated depreciation and impairment	
At 1 January 2013	-
Impairment charge	2,064
At 31 December 2013	**2,064**
Net book value	
At 31 December 2013	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

14. Inventories

	2014	2013
	US$'000	US$'000
Spares	669	-
Oil and grease	84	-
Fuel	52	-
	805	-

15 Trade and other receivables

	2014	2013
	US$'000	US$'000
Trade receivables		
- Immediate holding corporation	46,903	26,670
- Other group companies	708	-
- Third parties	11	16
Trade receivables- net	47,622	26,686
Other receivables	60	568
	47,682	27,254

Other receivables are unsecured, non-interest bearing and repayable on demand. The Company has reviewed the collectability of intercompany receivables, and no provisions were deemed necessary.

16. Cash and cash equivalents

	2014	2013
	US$'000	US$'000
Cash and cash equivalents	2,354	1,933

Analysis of cash and cash equivalents at end of financial year

	2014	2013
	US$'000	US$'000
Cash at bank and in hand	6,853	7,035
Less Non-current restricted cash	(4,499)	(5,102)
Cash and cash equivalents	2,354	1,933

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

16 Cash and cash equivalents (continued)

Non-current restricted cash has a maturity of greater than 3 months. In 2014, the non-current restricted cash totalled US$ 4 5 million (2013. US$ 501 million)

17. Share capital

The Company's ordinary share capital comprises 50,000 (2013· 50,000) fully paid up ordinary shares with no par value, amounting to a total of US$ 50,000 (2013· US$ 50,000). During 2014, 35,114,000 (2013.Nil) redeemable preference shares were issued to the immediate parent for non-cash consideration of US$ 35 1 million (2013 Nil) via the conversion of existing intercompany advances

18 Trade and other payables

	2014	2013
	US$'000	US$'000
Current		
Trade payables.		
- Due to immediate holding corporation	58,588	42,549
- Due to related corporation	-	3,459
- Due to third parties	932	789
	59,520	46,797
Other current liabilities	154	420
	59,674	47,217

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

19 Borrowings

	2014	2013
	US$'000	US$'000
Unsecured		
Loan from immediate holding corporation	-	19,945
Secured		
Bank borrowings	53,124	68,363
	53,124	88,308
Current	7,332	28,250
Non-current	45,792	60,058
Total borrowings	53,124	88,308

The maturity and interest rate profiles of borrowings based on repayment profiles or maturity are as follows

	2,014	2013
	US$'000	US$'000
Maturity of debt		
Amounts falling due		
- In one year or on demand	7,332	28,250
- In more than one year but less than two years	7,332	8,305
- In more than two years but not more than five years	38,460	51,753
	53,124	88,308

Financial covenants

Under the terms of the borrowing facilities, the Ceona Holding Group is required to comply with certain financial covenants which include:

- The ratio of total equity to total assets must exceed 35%
- Earnings before interest, tax, depreciation and amortisation ("EBITDA") must be four times greater than the net interest expense in order for the Group to incur additional loan funding
- The ratio of total interest bearing liabilities to total assets of Ceona Holding Group must always be lower than 70%
- Minimum cash balance (cash and cash equivalents) of US$5 million within Ceona Pte Ltd group of companies

19 Borrowings (continued)

As at 31 December 2014 and at 31 December 2013, the Company and the Group was in compliance with all of the above financial covenants It was however in breach of a requirement to provide audited financial statements for the year ended 31 December 2014 to its lenders at 30 June 2015, and since that date the Company has also fallen into arrears of quarterly payments of principal and interest on its bank borrowings Following negotiations with its lenders, on 26th November 2015 the Company reached a new agreement under which certain covenants are modified, such that repayment of loan principal is deferred.

	2014 US$'000	2013 US$'000
Net debt		
Cash in bank including non-current restricted cash (Note 16)	**6,853**	7,035
Restricted cash (Note 16)	**(4,499)**	(5,102)
Total cash and cash equivalents net of restricted cash	**2,354**	1,933
Borrowings		
- Current	**(7,332)**	(28,250)
- Non-current	**(45,792)**	(60,058)
Total borrowings	**(53,124)**	(88,308)
Total net debt	**(50,770)**	(86,375)

20 Provisions

	2014 US$'000	2013 US$'000
Beginning of financial year	**3,445**	-
Utilisation	**(2,836)**	-
(Release)/Charge to income statement	**(609)**	3,445
End of financial year	**-**	3,445

The above provision was established in respect of the cost associated with the termination of a ship management agreement in 2013 The provision was utilised in 2014 and the excess provision of US$0 6 million was reversed.

21. Financial instruments

A related corporation has entered into an interest rate swap contract on behalf of the Company in relation to its long term debt Such interest rate swaps have the economic effect of converting the interest rates of borrowings from floating rates to fixed rates The nominal amount of the swap is US$7 5 million and the swap matures in 2016. The related corporation recognises a liability of US$1 4 million (2013 US$ 1.0 million) of the mark to market value of the remaining derivatives at 31 December 2014 The swap contract is valued at market value as at 31 December 2014 Fair value gains on the interest rate swap amounted to US$485,000 (2013· US$526,000) and has been recognised in the income statement for the related corporation for year ended 31 December 2014

22 Immediate and ultimate Holding Corporation

The Company's immediate holding corporation is Ceona Pte Ltd incorporated in Singapore The ultimate holding corporation is Troll Coöperatieve U.A , incorporated in the Netherlands

23 Related party transaction

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related corporations at terms agreed between the parties

(a) Sales and purchases of goods and services

	2014 US$'000	2013 US$'000
Revenue from immediate holding corporation	**18,250**	26,029
Ship management services from related corporation	**(191)**	1,392
Accounting services from related corporation	**15**	1,090
Health, safety, environment and quality services from related corporation	-	60

Sales and purchases of goods and services are based on terms that would be available to third parties

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

24 Related party transactions (continued)

(b) Key management personnel compensation

There is no compensation made to directors of the Company as the directors have an employment relationship only with related corporations and received no compensation from the Company during the financial year. Since 16 September 2015 one director (Mr Johan Rasmussen) has entered into a compensation agreement directly with the Company.

25 New or revised accounting standards and interpretations

On 1 January 2014, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions of the respective FRS and INT FRS

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and had no material effect on the amounts reported for the current or prior financial year

26 Events after the balance sheet date

Since 30 June 2015, the Company has fallen into arrears of quarterly payments of principal and interest The parent company of the Ceona Holding Ltd group entered administration on 16 September 2015, together with several other group undertakings

Following negotiations with its lenders, on 26th November 2015 the Company reached a new agreement under which certain covenants are modified, such that repayment of loan principal is deferred.

In order to remediate the negative equity position of the Company, on 23 December 2015 the immediate parent Company Ceona Pte Ltd converted $9.886 million of its intercompany receivable into redeemable preference share capital

27 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of OIG Giant II Pte Ltd on 29 February 2016