

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 for**
You cannot use this form to
an alteration of manner of c
with accounting requirement



A5HWYXZE

A04

19/10/2016

#154

COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of
overseas company ①

OIG Giant II Pte Ltd

UK establishment
number

B R 0 1 6 4 7 8

→ **Filling in this form**

Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

① 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 ②

Singapore

② 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 ③

Singapore Financial Reporting Standards

③ 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'

① Please insert the name of the appropriate accounting organisation or body

Name of organisation or body ①

Singapore Standards on Auditing

A5 Unaudited accounts

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box

☐ No.

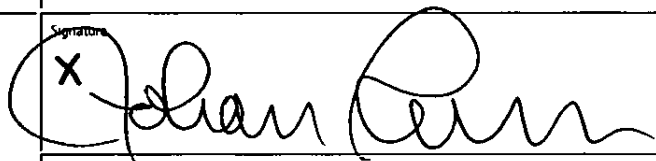
☒ Yes.

Part 3 Signature

Signature

I am signing this form on behalf of the overseas company

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 **Martin Parker**

Company name **Ceona Pte Ltd**

Address **3rd Floor**

3 Shortlands

Post town **London**

County/Region

Postcode

W

6

8

D

A

Country **UK**

DX

Telephone **07770 573254**



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

82/60

82/60

OIG GIANT II PTE. LTD.

(Incorporated in Singapore. Registration Number 201111140G)

ANNUAL REPORT

For the financial year ended 31 December 2015

SATURDAY WEDNESDAY

A04

24/09/2016
COMPANIES HOUSE

#38

OIG GIANT II PTE. LTD.

COMPANY INFORMATION

Registered office	30 Raffles Place # 23-48 Singapore 048622
Company number	201111140G
UK establishment number	BR016478
The Board of directors	Mr Stephen 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 Coöperatieve U.A

OIG GIANT II PTE. LTD.

CONTENTS

	Page
Directors' Statement	1
Independent Auditor's Report	4
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10

OIG GIANT II PTE. LTD.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The directors present their statement to the member together with the audited financial statements for the financial year ended 31 December 2015

In the opinion of the directors,

- (a) the financial statements of the Company as set out on pages 6 to 28 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements, 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

Directors

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

Mr Stephen Fordham

Mr Johan Rasmussen

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, 2015 and also as at 31 December 2015, as follows

Name of Director	Class A Ordinary shares of US\$0.10 each	Class B Ordinary shares of US\$10.00 each	Class C shares of US\$0.01 each	Preference shares of US\$1.00 each
Mr Johan Rasmussen	15,000	-	220,000	47,800

This interest was sold on 27 July 2016

DIRECTORS' STATEMENT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 Note 23 of the accompanying financial statements and in this statement

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 view of adverse conditions prevailing in the charter market, the directors are actively marketing the vessel for sale. An agreement for a sale was signed on 5 August 2016 to sell the vessel to a third party acquirer. The sale agreement provides for a sale to be completed by 14 October 2016, and is subject to certain conditions. If the vessel is not sold, the directors intend to remove it from the charter market and place it in long-term storage. As at 31 December 2015, the Company has a positive cashflow of US\$1 975 million (2014 US\$16 886 million) from its operations, before the consideration of investing and financing activities.

To continue to fund the operations, the Company meets its operational requirements through term loans, which are repayable by 2021 and is required to comply with certain financial covenants set out by its lenders. Following negotiations with its lenders, the Company reached an agreement on 26 November 2015 under which certain covenants are modified, such that repayment of loan principal is deferred. The lenders have provided conditional access to funds from the fixed charge bank account in the Company's name.

This arrangement 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 Company to allow for the negotiation of appropriate sale terms for the Company's vessel 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 addition, it should be noted that following any disposal of the Company's vessel, the Company 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. At this stage it is envisaged the lenders will either waive or first subordinate and thereafter waive that portion of the loans that cannot be settled by the Company upon the sale of the vessel. However, as of now, there is no commitment by the lenders to do so beyond what is set out in the aforesaid funding agreement.

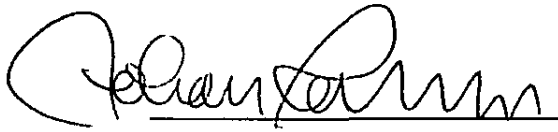
Based on the expectation that the vessel will be sold as aforesaid, and the outstanding balance of the Company's term loans will be forgiven, the Company is expected to be placed into a solvent liquidation. As a result, no further revenue is expected to be generated by the Company, and these financial statements have been prepared on a basis other than going concern.

OIG GIANT II PTE. LTD.

DIRECTORS' STATEMENT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

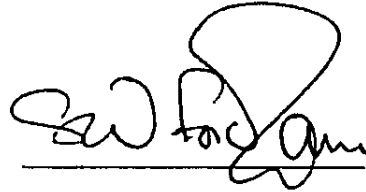
Independent auditors

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



Mr. Johan Rasmussen
Director

15 SEP 2016



Mr. Stephen Fordham
Director

15 SEP 2016

**INDEPENDENT AUDITORS' REPORT TO THE
SHAREHOLDERS OF OIG GIANT II PTE. LTD.
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Report on the Financial Statements

We have audited the accompanying financial statements of OIG Giant II Pte. Ltd. (the "Company") set out on pages 6 to 28, which comprise the balance sheet as at 31 December 2015, 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.

Emphasis of matter

In forming our opinion on the financial statements, we have considered the adequacy of the disclosure made in Note 2 to the financial statements concerning the basis of preparation. The directors expect that the entity will be liquidated during the next financial year. Accordingly, the going concern basis of preparation is inappropriate. These financial statements have therefore been prepared on a realisation basis of accounting. Our opinion is not qualified in respect of this matter.

OIG GIANT II PTE. LTD.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 2015, and of the financial 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
Public Accountants and Chartered Accountants
Singapore,

15 SEP 2016

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		2015			2014		
	Note	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		Before excep- tional items	Excep- tional items (Note 11)	Total	Before excep- tional items	Excep- tional items (Note 11)	Total
Continuing operations							
Revenue	6	8,386	-	8,386	18,250	-	18,250
Cost of sales		(14,943)	(22,588)	(37,531)	(13,548)	(53,946)	(67,494)
Gross (loss) / profit		(6,557)	(22,588)	(29,145)	4,702	(53,946)	(49,244)
Administrative expenses		(1,765)	-	(1,765)	(179)	-	(179)
Operating (loss) / profit	7	(8,322)	(22,588)	(30,910)	4,523	(53,946)	(49,423)
Other gains	8	4,757	-	4,757	6,539	-	6,539
Finance costs	9	(1,378)	-	(1,378)	(802)	-	(802)
(Loss) / profit before income tax		(4,943)	(22,588)	(27,531)	10,260	(53,946)	(43,686)
Income tax	10	(14)	-	(14)	(3)	-	(3)
(Loss) / profit after tax and comprehensive (loss) / income		(4,957)	(22,588)	(27,545)	10,257	(53,946)	(43,689)

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

OIG GIANT II PTE. LTD.

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Note	2015 US \$'000	2014 US \$'000
ASSETS			
Non-current assets			
Vessel	12	-	48,625
Restricted cash	16	-	4,499
		-	53,124
Current assets			
Assets held for sale	13	21,250	-
Inventories	14	12	805
Trade and other receivables	15	60,244	47,682
Cash and cash equivalents	16	6,528	2,354
		88,034	50,841
Total Assets		88,034	103,965
EQUITY			
Share capital	17	50	50
Redeemable preference shares	17	45,000	35,114
Accumulated losses		(71,943)	(44,398)
Total Equity		(26,893)	(9,234)
LIABILITIES			
Non-current liability			
Borrowings	19	-	45,792
		-	45,792
Current liabilities			
Trade and other payables	18	70,187	59,671
Borrowings - current portion	19	44,288	7,332
Current income tax liabilities		17	3
Accruals		435	401
		114,927	67,407
Total Liabilities		114,927	113,199
Total Equity and Liabilities		88,034	103,965

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	<u>Share Capital</u> US\$'000	<u>Redeemable preference shares</u> US\$'000	<u>Accumulated losses</u> US\$'000	<u>Total equity</u> US\$'000
Balance as at 1 January 2015		50	35,114	(44,398)	(9,234)
Issue of redeemable preference shares	17	-	9,886	-	9,886
Loss after tax		-	-	(27,545)	(27,545)
Balance as at 31 December 2015		50	45,000	(71,943)	(26,893)
Balance as at 1 January 2014		50	-	(709)	(659)
Issue of redeemable preference shares	17	-	35,114	-	35,114
Loss after tax		-	-	(43,689)	(43,689)
Balance as at 31 December 2014		50	35,114	(44,398)	(9,234)

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

STATEMENT OF CASH FLOWS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Note	2015 US\$'000	2014 US\$'000
Cash flows from operating activities			
Loss after tax		(27,545)	(43,689)
Adjusted for:			
- Depreciation		5,540	5,215
- Impairment of vessels and property, plant and equipment		22,588	54,555
- Income tax charge		14	3
- Interest expense		1,378	802
Cash generated from operations		1,975	16,886
Changes in net working capital			
- Trade and other receivables		(12,562)	(20,428)
- Trade and other payables		10,516	12,457
- Provisions		-	(3,044)
- Accruals		34	-
- Inventories		-	(805)
Tax paid		40	(22)
Net cash provided by operations		3	5,044
Cash flows from investing activity			
Vessel improvements and dry-docking		-	(4,395)
Net cash used in investing activity		-	(4,395)
Cash flow from financing activities			
Repayment of borrowings		(8,836)	(35,184)
Interest paid		(1,378)	(761)
Proceeds of issue of preference shares		9,886	35,114
Release of restricted cash as security for borrowings		4,499	603
Net cash provided by/(used in) financing activities		4,171	(228)
Net increase in cash and cash equivalents		4,174	421
Cash and cash equivalents at beginning of year	16	2,354	1,933
Cash and cash equivalents at end of year	16	6,528	2,354
Analysis of cash and cash equivalents at end of financial year			
Cash and bank balances including restricted cash		6,528	6,853
Less: Non-current restricted cash		-	(4,499)
Cash and cash equivalents at end of year		6,528	2,354

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

1. General information

OIG Giant II Pte. Ltd. is a limited liability company incorporated in Singapore. However, from 30 April 2013, the Company has operated entirely from its principal place of business in the United Kingdom. The address of the registered office is 30 Raffles Place # 23-48, Singapore 048622.

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

Going concern

In view of adverse conditions prevailing in the charter market, the directors are actively marketing the vessel for sale. An agreement for a sale was signed on 5 August 2016 to sell the vessel to a third party acquirer. The sale agreement provides for a sale to be completed by 14 October 2016, and is subject to certain conditions. If the vessel is not sold, the directors intend to remove it from the charter market and place it in long-term storage. As at 31 December 2015, the Company has a positive cashflow of US\$1.975 million (2014: US\$16.886 million) from its operations, before the consideration of investing and financing activities.

To continue to fund the operations, the Company meets its operational requirements through term loans, which are repayable by 2021 and is required to comply with certain financial covenants set out by its lenders. Following negotiations with its lenders, the Company reached an agreement on 26 November 2015 under which certain covenants are modified, such that repayment of loan principal is deferred. The lenders have provided conditional access to funds from the fixed charge bank account in the Company's name.

This arrangement 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 Company to allow for the negotiation of appropriate sale terms for the Company's vessel 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 addition, it should be noted that following any disposal of the Company's vessel, the Company 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. At this stage it is envisaged the lenders will either waive or first subordinate and thereafter waive that portion of the loans that cannot be settled by the Company upon the sale of the vessel. However, as of now, there is no commitment by the lenders to do so beyond what is set out in the aforesaid funding agreement.

Based on the expectation that the vessel will be sold as aforesaid, and the outstanding balance of the Company's term loans will be forgiven, the Company is expected to be placed into a solvent liquidation. As a result, no further revenue is expected to be generated by the Company, and these financial statements have been prepared on a basis other than going concern.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. Basis of accounting (continued)

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.

These financial statements are prepared on a realisation basis

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 2015

On 1 January 2015, 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.

Accounting standards, amendments and interpretations issued but not yet effective

A number of new or amended FRS standards may be of significance to the Company but are not expected to be implemented, in view of the Company's expected liquidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 included in assets held for sale

Following the receipt of a cash offer to purchase the vessel and its spare parts inventory, the Company performed an evaluation of the costs associated with converting the vessel to meet the buyer's requirements and recorded an impairment for an amount of US\$ 22 588 million (2014 US\$ 54 555 million). The resulting carrying amount of the assets held for sale is US\$ 21.250 million (2014 Nil). This valuation represents the value of the offshore light construction vessel and its inventory in the prevailing market.

Going concern

In reaching the conclusion that the Company's financial statements should be presented on a basis other than going concern, Management has made an assumption that the potential buyer who signed a vessel purchase agreement on 5th August 2016 will in fact acquire it, and that the buyer board approval will be granted.

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.

Impairment of receivables

In recording impairments of receivables from external customers and other Group companies, Management has made a conservative assessment of the customers' ability to pay and of the likely obstacles to legal action in support of collection.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. Summary of principal accounting policies (continued)

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

4.3. 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. Summary of principal accounting policies (continued)

4.5. Inventories

Inventories comprise mainly materials and fuel oil remaining on board the vessel, 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

4.8. 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, and restricted cash

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. Summary of principal accounting policies (continued)

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.

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

Vessel is 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:

	<u>Useful lives</u>
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. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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. Assets held for sale

Assets are classified as held for sale when they meet the following criteria:

- Management is committed to a plan to sell;
- The asset is available for immediate sale;
- An active programme to locate a buyer is initiated;
- The sale is highly probable within 12 months;
- The asset is being actively marketed at a price that is reasonable in relation to its fair value;
- Actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn.

Assets held for sale are presented separately from other assets in the balance sheet. They are stated at the lower of carrying amount and fair value less costs to sell.

4.15. Exceptional items

Items which are both material and not part of the Company's normal business operations 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.

4.16. Share capital

Issued ordinary and preference shares are classified as equity. Redeemable preference shares which are classified as redeemable at the option of the Company 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

(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.

	2015 US\$'000	2014 US\$'000
Bank borrowings	44,288	53,124
Trade and other payables	70,187	59,671
Due to immediate holding corporation	-	-
	114,475	112,795

	2015 US\$'000	2014 US\$'000
Amounts falling due within one year	114,475	67,003
Amounts falling due with two to four years	19,737	21,997
Over four years	(19,737)	23,795
	114,475	112,795

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/or its vessel. The debt was classified as current as at 31 December 2015 because of the covenant default. In addition, the Company's lenders have agreed to a temporary release of pledged cash to enable the Company to continue solvent trading.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5. Financial risk management (continued)

(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:

	2015 US\$'000	2014 US\$'000
Financial asset		
Euro bank balances	5,439	4,499
Financial liability		
Bank borrowings	(44,288)	(53,124)
Currency exposure- financial liability (net)	(38,849)	(48,625)

At 31 December 2015, if the Euro currency weakened/strengthened by 10% (2014: 10%) against the USD with all other variables held constant, the loss for the year before tax would have been US\$4.4 million higher/lower (2014: US\$4.9 million higher/lower).

(c) Credit risk

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.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

5. Financial risk management (continued)

(d) 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 through the use of a floating to fixed interest rate swap. Such interest rate swap has the economic effect of correcting borrowings from floating to fixed rates.

As of 31 December 2015, if interest rates on the borrowings had been 10% (2014: 10%) higher/lower with all other variables constant, the profit before tax for the year would have been US\$ 42,687 lower/higher (2014: US\$ 47,576), mainly as a result of higher/ lower interest expenses on floating rate borrowings

(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, and the Company was in compliance with that agreement as at 31 December 2015.

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.

	2015 US\$'000	2014 US\$'000
Net debt	107,947	105,942
Total equity	(26,893)	(9,234)
Total capital	81,054	96,708

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5. Financial risk management (continued)

(f) Capital risk (continued)

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

(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	Carrying amount	Fair value	Fair value
		2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Assets					
Trade receivables	LaR	60,244	47,682	60,244	47,682
Cash and cash equivalents	LaR	6,528	6,853	6,528	6,853
Liabilities					
Borrowings (non-current)	FLAC	-	45,792	-	45,792
Borrowings (current)	FLAC	44,288	7,332	44,288	7,332
Trade and other payables	FLAC	70,187	59,671	70,187	59,671
Accruals	FLAC	435	401	435	401
Categories					
Loans and receivables	LaR	66,772	54,535	66,772	54,535
Liabilities at amortised cost	FLAC	114,910	113,196	114,910	113,196

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

6. Revenue

	2015 US\$'000	2014 US\$'000
Charter hire income	8,386	18,250

7. Operating (loss) / profit

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

	2015 US\$'000	2014 US\$'000
Depreciation (Note 12)	5,540	5,215
Impairment of assets held for sale (Note 13)	22,588	54,555
Impairment of property plant and equipment (Note 13)	-	54,555
Impairment charge - external receivables	-	-
Provision for ship management cost	-	(609)
Audit fee	24	69

8. Other gains

	2015 US\$'000	2014 US\$'000
Foreign exchange gain on borrowings	5,072	7,552
Other foreign exchange losses - net	(315)	(1,013)
	4,757	6,539

9. Finance costs

	2015 US\$'000	2014 US\$'000
Interest on bank borrowings	516	802
Interest on swap	822	-
Costs associated with financing	40	-
	1,378	802

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

10. Income tax

Income tax expense

	2015	2014
	US\$'000	US\$'000
Tax expenses attributable to loss is made up of		
- Current income tax	14	3

The tax on the Company's loss differs from the theoretical amount that would arise using the Company's blended tax rate of 20.25% (2014 21.49%) as follows:

	2015	2014
	US\$'000	US\$'000
Loss before tax	(27,531)	(43,686)
Expected tax credit calculated at tax rate of 20.25% (2014. 21.49%) as follows	(5,575)	(9,388)
- Income not subject to tax	-	-
- Losses not subject to tax	5,589	9,391
- Expenses not deductible for tax purposes	-	-
Tax charge	14	3

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 2015 of 20.25% (2014 21.49%).

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 Company will be subject to the beneficial UK Tonnage Tax regime from 30 April 2013. Thus, the profits earned by the Company in the 2015 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

11. Exceptional items

	2015 US\$'000	2014 US\$'000
Charge for impairment of assets held for sale	22,588	54,555
Termination of ship management agreement	-	(609)
	<u>22,588</u>	<u>53,946</u>

Charge for impairment of assets held for sale

Following the receipt of a cash offer to purchase the vessel and its spare parts inventory, the Company performed an evaluation of the costs associated with converting the vessel to meet the buyer's requirements and recorded an impairment for an amount of US\$ 22.588 million (2014: US\$ 54.555 million). The resulting carrying amount of the assets held for sale is US\$ 21.250 million (2014: Nil). This valuation represents the value of the offshore light construction vessel and its inventory in the prevailing market.

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.

12. Vessel

	US\$'000
2015	
<i>Cost</i>	
Beginning of financial year	138,518
Transferred to assets classified as held for sale (Note 13)	<u>(138,518)</u>
End of financial year	<u>-</u>
<i>Accumulated depreciation and impairment</i>	
Beginning of financial year	89,893
Depreciation charge	5,540
Transferred to assets classified as held for sale (Note 13)	<u>(95,433)</u>
End of financial year	<u>-</u>
<i>Net book value</i>	
End of financial year	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

12. Vessel (continued)

	US\$'000
2014	
<i>Cost</i>	
Beginning of financial year	134,123
Additions	4,395
End of financial year	138,518
<i>Accumulated depreciation and impairment</i>	
Beginning of financial year	30,123
Depreciation charge	5,215
Impairment charge (Note 11)	54,555
End of financial year	89,893
Net book value	
End of financial year	48,625

The OIG Giant II vessel has been transferred to assets held for sale (See Note 13) Bank borrowings of the Company are fully secured by a mortgage on the vessel (Note 19).

13. Assets held for sale

	2015 US\$'000	2014 US\$'000
Vessel		
Cost transferred (Note 12)	138,518	-
Accumulated depreciation and impairment transferred (Note 14)	(95,433)	-
Net book value transferred	43,085	-
Inventory of spare parts and lubricants		
Net book value transferred (Note 14)	753	-
Subtotal net book value transferred	43,838	-
Less impairment charge (Note 11)	(22,588)	-
Valuation of assets held for sale	21,250	-

The OIG Giant II vessel and its inventory of spare parts and lubricants has been presented as held for sale following the decision of the Group's management and shareholders to sell the vessel.

In accordance with FRS 5, the assets and liabilities held for sale were written down to their fair value less costs to sell. This is a non-recurring fair value which has been measured using observable inputs, reflecting a cash offer received for the asset, and is therefore within level 2 of the fair value hierarchy.

OIG GIANT II PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

14. Inventories

	2015	2014
	US\$'000	US\$'000
Spares	669	669
Oil and grease	84	84
	753	753
Transfer to asset held for sale (Note 13)	(753)	-
Fuel	12	52
	12	805

The inventory on board the OIG Giant II vessel has been transferred to assets held for sale (Note 13)

15. Trade and other receivables

	2015	2014
	US\$'000	US\$'000
Trade receivables		
- Immediate holding corporation	59,495	46,903
- Other group companies	708	708
- Third parties	839	11
- Provision for impairment	(798)	-
Trade receivables - net	60,244	47,622
Other receivables	-	60
	60,244	47,682

Other receivables are unsecured, non-interest bearing and repayable on demand. The Company has determined that a full provision is required against overdue amounts receivable from two external customers.

16. Cash and cash equivalents

	2015	2014
	US\$'000	US\$'000
Cash at bank and in hand	6,528	6,853
Less: Non-current restricted cash	-	(4,499)
Cash and cash equivalents	6,528	2,354

One of the Company's bank accounts is pledged in favour of the lenders, and in the prior year was presented as non-current restricted cash. This amount was reclassified in 2015 as cash at bank and in hand following an agreement with the lenders to provide access to the funds to meet the day-to-day running costs of the business. Disbursements from the pledged bank account remain subject to prior approval by the lenders

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

17. Share capital

The Company's ordinary share capital comprises 50,000 (2014: 50,000) fully paid up ordinary shares with no par value, amounting to a total of US\$ 50,000 (2014: US\$ 50,000). During 2015, 9,886,000 (2014: 35,114,000) redeemable preference shares were issued to the immediate parent for non-cash consideration of US\$ 9.9 million (2014: US\$ 35.1 million) via the conversion of existing intercompany advances.

18. Trade and other payables

	2015 US\$'000	2014 US\$'000
Trade payables:		
- Due to immediate holding corporation	66,353	58,588
- Due to related corporation	2,363	-
- Due to third parties	1,471	932
	<u>70,187</u>	<u>59,520</u>
Other current liabilities	-	151
	<u>70,187</u>	<u>59,671</u>

19. Borrowings

	2015 US\$'000	2014 US\$'000
<i>Secured</i>		
Bank borrowings	44,288	53,124
Current	44,288	7,332
Non-current	-	45,792
Total borrowings	<u>44,288</u>	<u>53,124</u>

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

	2015 US\$'000	2014 US\$'000
<i>Maturity of debt</i>		
Amounts falling due:		
- In one year or on demand	44,288	7,332
- In more than one year but less than two years	-	7,332
- In more than two years but not more than five years	-	38,460
- More than five years	-	-
	<u>44,288</u>	<u>53,124</u>

Financial covenants

On 26th November 2015 the Company reached a new agreement under which certain covenants are modified, such that repayment of loan principal is deferred. The Company was in compliance with that agreement as at 31 December 2015 and at the date of approval of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

19. Borrowings (continued)

Net debt

	2015 US\$'000	2014 US\$'000
Cash in bank including non-current restricted cash (Note 16)	6,528	6,853
Restricted cash (Note 16)	-	(4,499)
Total cash and cash equivalents net of restricted cash	6,528	2,354
Borrowings:		
- Current	(44,288)	(7,332)
- Non-current	-	(45,792)
Total borrowings	(44,288)	(53,124)
Total net debt	(37,760)	(50,770)

20. Provisions

There were no outstanding provisions at as at 31 December 2015.

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 EUR 7.5 million and the swap matures in 2016. The related corporation recognises a liability of US\$ 0.1 million (2014: US\$ 1.4 million) in respect of the mark to market value of the remaining derivatives at 31 December 2015. The swap contract is valued at market value as at 31 December 2015. Fair value gains on the interest rate swap amounted to US\$441,000 (2014: US\$485,000) and have been recognised in the income statement for the related corporation for year ended 31 December 2015.

22. Immediate and ultimate holding corporation

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

23. Related party transactions

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:

(i) Sales and purchases of goods and services

	2015	2014
	US\$'000	US\$'000
Revenue from immediate holding corporation	-	18,250
Ship management services from related corporation	-	(191)
Accounting services from related corporation	-	15
Management services from related corporation	347	-

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

(ii) Key management personnel compensation

	2015	2014
	US\$'000	US\$'000
Employment cost	38	0

There is no compensation made to directors of the Company. The executive director (Mr Rasmussen) has an employment contract with an affiliate of the Company, Ceona Services (UK) Limited (in Administration). The non-executive director (Mr Fordham) is paid for his service by the Company's parent, who is charged by a service company under the control of Mr. Fordham.

24. New or revised accounting standards and interpretations

On 1 January 2015, 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.

25. Events after the balance sheet date

An agreement for a sale was signed on 5 August 2016 to sell the vessel to a third party acquirer. The sale agreement provides for a sale to be completed by 14 October 2016, and is subject to certain conditions.

26. 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

11 5 SEP 2016