

# Zeta-Pdm Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2018

**Zeta-Pdm Limited**

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## Zeta-Pdm Limited

(Registration number: 03907548)

## Statement of Financial Position as at 31 December 2018

		(As restated)	
	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	<a href="#">4</a>	1,780	3,103
Tangible assets	<a href="#">5</a>	497,376	357,111
Investments	<a href="#">6</a>	7,050	727,752
		<u>506,206</u>	<u>1,087,966</u>
<b>Current assets</b>			
Stocks	<a href="#">7</a>	158,327	183,732
Debtors	<a href="#">8</a>	370,958	595,475
Cash at bank and in hand		447	345,087
		529,732	1,124,294
<b>Creditors: Amounts falling due within one year</b>	<a href="#">9</a>	<u>(355,919)</u>	<u>(145,896)</u>
<b>Net current assets</b>		<u>173,813</u>	<u>978,398</u>
<b>Total assets less current liabilities</b>		680,019	2,066,364
<b>Creditors: Amounts falling due after more than one year</b>	<a href="#">9</a>	(244,948)	(138,676)
<b>Provisions for liabilities</b>		<u>(17,803)</u>	-
<b>Net assets</b>		<u>417,268</u>	<u>1,927,688</u>
<b>Capital and reserves</b>			
Called up share capital	<a href="#">11</a>	84	84
Capital redemption reserve		16	16
Profit and loss account		417,168	1,927,588
Total equity		<u>417,268</u>	<u>1,927,688</u>

For the financial year ending 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

## Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Income Statement has been taken.

The notes on pages 3 to 10 form an integral part of these financial statements



**Zeta-Pdm Limited**

**(Registration number: 03907548)**

**Statement of Financial Position as at 31 December 2018**

Approved and authorised by the director on 30 September 2019

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N Arnold  
Director

The notes on pages [3](#) to [10](#) form an integral part of these financial statements.  
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## Notes to the Financial Statements for the Year Ended 31 December 2018

### 1 General information

The company is a private company limited by share capital, incorporated in England and Wales .

The address of its registered office is:

Zeta House  
20 Barry Way  
Newport  
Isle of Wight  
PO30 5GY

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

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.

#### Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### Group accounts not prepared

The company is part of a small group. The company has taken advantage of the exemption provided by section 399 of the Companies Act 2006 and has not prepared group accounts..

#### Going concern

Despite the downturn in performance in 2018 the company has moved back towards profitability due to a significant series of cost cutting measures in the period to date. The core competence and ability of the Company to compete for new business has not been adversely effected by these cuts and the financial year to date has seen a small number of oil and gas related orders, but all of them profitable. Fabrication services to third parties has taken longer than anticipated to take off but is showing more strength as the Company heads into the final quarter of 2019. The traditional side of the business has a number of potential orders that will place the cash flow of the firm back towards its historic norm as the Company enters the year ended 31 December 2020.

The director anticipates that in light of this the Company will be able to meet it's current liabilities and as such the financial statements have been prepared on a going concern basis.

#### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.

## Notes to the Financial Statements for the Year Ended 31 December 2018

### Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings	Straight line over 25 years
Motor vehicles	25% reducing balance
Other tangible assets	25% reducing balance

### Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Trademarks, patents and licenses	Straight line over 10 years

**Notes to the Financial Statements for the Year Ended 31 December 2018**

**Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

**Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.



**Notes to the Financial Statements for the Year Ended 31 December 2018**

**Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Income Statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

**Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as an employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

**3 Staff numbers**

The average number of persons employed by the company (including the director) during the year, was 13 (2017 - 15).

## Notes to the Financial Statements for the Year Ended 31 December 2018

**4 Intangible assets**

	Trademarks, patents and licenses £	Total £
<b>Cost or valuation</b>		
At 1 January 2018	12,778	12,778
At 31 December 2018	12,778	12,778
<b>Amortisation</b>		
At 1 January 2018	9,675	9,675
Amortisation charge	1,323	1,323
At 31 December 2018	10,998	10,998
<b>Carrying amount</b>		
At 31 December 2018	1,780	1,780
At 31 December 2017	3,103	3,103

**5 Tangible assets**

	Land and buildings £	Motor vehicles £	Other tangible assets £	Total £
<b>Cost or valuation</b>				
At 1 January 2018	428,171	48,345	450,065	926,581
Additions	13,211	-	199,599	212,810
Disposals	-	-	(439,577)	(439,577)
At 31 December 2018	441,382	48,345	210,087	699,814
<b>Depreciation</b>				
At 1 January 2018	102,760	19,588	447,122	569,470
Charge for the year	14,721	7,189	50,635	72,545
Eliminated on disposal	-	-	(439,577)	(439,577)
At 31 December 2018	117,481	26,777	58,180	202,438
<b>Carrying amount</b>				
At 31 December 2018	323,901	21,568	151,907	497,376
At 31 December 2017	325,411	28,757	2,943	357,111

Included in cost of land and buildings is freehold land of £142,724 (2017 - £142,724) which is not depreciated.

*Apache*

Included within the net book value of land and buildings above is £323,901 (2017 - £325,411) in respect of freehold land and buildings.

**Notes to the Financial Statements for the Year Ended 31 December 2018**

Other tangible assets with a carrying value of £149,699 (2017: £ nil), and motor vehicles with a carrying amount of £17,463 (2017: £23,284) are held under finance leases.

**6 Investments**

<b>Subsidiaries</b>	<b>£</b>
<b>Cost or valuation</b>	
At 1 January 2018	727,752
Impairment	<u>(720,702)</u>
At 31 December 2018	<u>7,050</u>
<b>Provision</b>	
<b>Carrying amount</b>	
At 31 December 2018	<u><u>7,050</u></u>
At 31 December 2017	<u><u>727,752</u></u>

The Directors have made an assessment of the carrying value of the investment in Flow Dynamics AS and have concluded that its value is that of its net assets of £6,850. The directors have therefore made the decision to impair its carrying value to its net asset amount.

**Details of undertakings**

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

<b>Undertaking</b>	<b>Registered office</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	
			<b>2018</b>	<b>2017</b>
<b>Subsidiary undertakings</b>				
Zeta Group Ltd	Zeta House, Barry Way, Newport, Isle Of Wight, PO30 5GY England and Wales	Ordinary	100%	100%
Zeta Offshore Tech Ltd	Zeta House, 20 Barry Way, Newport, Isle Of Wight, PO30 5GY England and Wales	Ordinary	100%	100%
Flow Dynamics AS	C/O Trondheim Regnskapskontor Brosetvegen 168 7069 Trondheim Norway	Ordinary	100%	100%

**Notes to the Financial Statements for the Year Ended 31 December 2018**

The principal activity of Zeta Group Ltd is that of a dormant company.

The principal activity of Zeta Offshore Tech Ltd is that of a dormant company.

The principal activity of Flow Dynamics AS is that of technical consulting activities

The loss for the financial period of Flow Dynamics AS was £2,124 and the aggregate amount of capital and reserves at the end of the period was £6,850.

**7 Stocks**

	2018 £	2017 £
Other inventories	158,327	183,732

**8 Debtors**

	(As restated)	
	2018 £	2017 £
Trade debtors	258,054	398,687
Prepayments	10,957	34,117
Other debtors	101,947	162,671
	<u>370,958</u>	<u>595,475</u>

**9 Creditors****Creditors: amounts falling due within one year**

	Note	2018 £	2017 £
<b>Due within one year</b>			
Bank loans and overdrafts	<a href="#">10</a>	181,909	16,780
Trade creditors		99,877	102,513
Taxation and social security		38,140	11,295
Accruals and deferred income		28,723	10,961
Other creditors		7,270	4,347
		<u>355,919</u>	<u>145,896</u>

**Creditors: amounts falling due after more than one year**

	Note	2018 £	2017 £
<b>Due after one year</b>			
Loans and borrowings	<a href="#">10</a>	244,948	138,676

## Zeta-Pdm Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

	2018 £	2017 £
<b>Due after more than five years</b>		
After more than five years by instalments	33,095	57,531

**10 Loans and borrowings**

	2018 £	2017 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	90,765	107,336
Finance lease liabilities	154,183	31,340
	<u>244,948</u>	<u>138,676</u>

	2018 £	2017 £
<b>Current loans and borrowings</b>		
Bank borrowings	19,658	16,780
Bank overdrafts	114,572	-
Finance lease liabilities	47,679	-
	<u>181,909</u>	<u>16,780</u>

The bank borrowings disclosed in short and long term creditors are with HSBC and are secured by fixed and floating charges over all assets of the company.

**11 Share capital****Allotted, called up and fully paid shares**

	2018		2017	
	No.	£	No.	£
Share Capital of £1 each	84	84	84	84

**12 Financial commitments, guarantees and contingencies****Amounts not provided for in the balance sheet**

The total amount of financial commitments not included in the balance sheet is £129,009 (2017 - £Nil).