

Company Registration No. 03907548 (England and Wales)

ZETA-PDM LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
PAGES FOR FILING WITH REGISTRAR

ZETA-PDM LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 10

ZETA-PDM LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2019**

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Intangible assets	3		-		1,780
Tangible assets	4		427,014		497,376
Investments	5		2		7,050
			<u>427,016</u>		<u>506,206</u>
Current assets					
Stocks		21,033		158,327	
Debtors	7	139,766		370,958	
Cash at bank and in hand		288		447	
		<u>161,087</u>		<u>529,732</u>	
Creditors: amounts falling due within one year	8	<u>(405,573)</u>		<u>(355,919)</u>	
Net current (liabilities)/assets			<u>(244,486)</u>		<u>173,813</u>
Total assets less current liabilities			<u>182,530</u>		<u>680,019</u>
Creditors: amounts falling due after more than one year	9		<u>(161,746)</u>		<u>(244,948)</u>
Provisions for liabilities			<u>(14,030)</u>		<u>(17,803)</u>
Net assets			<u><u>6,754</u></u>		<u><u>417,268</u></u>
Capital and reserves					
Called up share capital	10		84		84
Capital redemption reserve			16		16
Profit and loss reserves			6,654		417,168
Total equity			<u><u>6,754</u></u>		<u><u>417,268</u></u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

ZETA-PDM LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2019

The financial statements were approved and signed by the director and authorised for issue on 24 April 2020

N Arnold
Director

Company Registration No. 03907548

ZETA-PDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Zeta-Pdm Limited is a private company limited by shares incorporated in England and Wales. The registered office is Zeta House, 20 Barry Way, Newport, Isle Of Wight, PO30 5GY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The world oil and gas industry saw slow improvement through 2019, which was reflected in a small increase in enquiries, and towards the end of the year steps towards commitments in orders for 2020. During the year several projects were successfully completed reflected in the increased year on year turnover. Sadly, the level of demand for third party fabrication remains poor on the Island.

Cost reduction steps started in 2018 continued through 2019. Staffing for most of the year stood at just seven. Investment in new staff and our first apprentice was made in the fourth quarter. The benefits of which will show up in performance during 2020.

Given the orders on the traditional side of the business, cash flow and profitability should return to closer the historic norm for the company during 2020.

Prior to the date of approving the financial statements, the UK had begun to take appropriate measures to restrict the spread of the Covid-19 Coronavirus outbreak, with the country entering into lockdown conditions, in line with many other nations across the globe. The director is of the opinion that the company will be less effected than most, due to manufacturing for international markets in a sector that is less effected by such things. A lower oil price for a while may well lead to more revamp work around the globe whilst lost production is cheap. The company continues to operate working from home due to the systems being accessible remotely and the workshop is organised to facilitate fabrication without lone working or the need to get too close to each other.

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

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

ZETA-PDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trademarks, patents and licenses	Straight line over 10 years
----------------------------------	-----------------------------

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	Straight line over 25 years
Other tangible assets	25% reducing balance
Motor vehicles	25% reducing balance
Land	Not depreciated

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

ZETA-PDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is determined using the first-in, first-out (FIFO) method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ZETA-PDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

ZETA-PDM LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 11 (2018 - 13).

3 Intangible fixed assets

	Other £
Cost	
At 1 January 2019	12,778
Disposals	(12,778)
	<hr/>
At 31 December 2019	-
	<hr/>
Amortisation and impairment	
At 1 January 2019	10,998
Disposals	(10,998)
	<hr/>
At 31 December 2019	-
	<hr/>
Carrying amount	
At 31 December 2019	-
	<hr/> <hr/>
At 31 December 2018	1,780
	<hr/> <hr/>

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2019	441,382	258,432	699,814
Disposals	-	(31,045)	(31,045)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	441,382	227,387	668,769
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 January 2019	117,481	84,957	202,438
Depreciation charged in the year	13,895	39,003	52,898
Eliminated in respect of disposals	-	(13,581)	(13,581)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	131,376	110,379	241,755
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 December 2019	310,006	117,008	427,014
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2018	323,901	173,475	497,376
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ZETA-PDM LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****4 Tangible fixed assets (Continued)**

Included in the cost of land and buildings is freehold land of £142,724 (2018: £142,724), which is not depreciated. Included within the net book value of land and buildings above is £310,006 (2018: £323,901) in respect of freehold land and buildings.

Other tangible assets with a carrying value of £112,274 (2018: £149,699) and motor vehicles with a carrying amount of £nil (2018: £17,463) are held under finance leases.

5 Fixed asset investments

	2019 £	2018 £
Investments	2	7,050
	<u>2</u>	<u>7,050</u>
Movements in fixed asset investments		Shares in group undertakings
		£
Cost or valuation		
At 1 January 2019 & 31 December 2019		7,050
		<u>7,050</u>
Impairment		
At 1 January 2019		-
Impairment losses		7,048
		<u>7,048</u>
At 31 December 2019		7,048
		<u>7,048</u>
Carrying amount		
At 31 December 2019		2
		<u>2</u>
At 31 December 2018		7,050
		<u>7,050</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 £nil. The directors have therefore made the decision to impair its carrying value to its net assets amount.

6 Significant undertakings

The company also has significant holdings in undertakings which are not consolidated:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Zeta Group Ltd	Zeta House, Barry Way, Newport, Isle Of Wight, PO30 5GY England and Wales	Ordinary	100.00	
Zeta Offshore Tech Ltd	Zeta House, 20 Barry Way, Newport, Isle Of Wight, PO30 5GY England and Wales	Ordinary	100.00	
Flow Dynamics AS	C/O Trondheim Regnskapskontor Brosetvegen 168 7069 Trondheim Norway	Ordinary	100.00	

ZETA-PDM LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****6 Significant undertakings (Continued)**

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 £6,850 (2018: £2,124) and the aggregate amount of capital and reserves at the end of the period was £nil (2018: £6,850). Flow Dynamics AS has ceased to trade and is in the process of being closed down.

7 Debtors

	2019	2018
Amounts falling due within one year:	£	£
Trade debtors	122,013	258,054
Other debtors	17,753	112,904
	<u>139,766</u>	<u>370,958</u>

8 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	164,541	134,230
Trade creditors	164,236	99,877
Taxation and social security	26,758	38,140
Other creditors	50,038	83,672
	<u>405,573</u>	<u>355,919</u>

Bank loans and overdrafts includes £69,794 (2018: £90,765), which is secured.

Other creditors includes £40,486 (2018: £47,681), which is secured under finance leases.

9 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Bank loans and overdrafts	69,794	90,765
Other creditors	91,952	154,183
	<u>161,746</u>	<u>244,948</u>

ZETA-PDM LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****9 Creditors: amounts falling due after more than one year (Continued)**

Bank loans and overdrafts includes £69,794 (2018: £90,765), which is secured.

Other creditors includes £91,952 (2018: £154,183), which is secured under finance leases.

Creditors which fall due after five years are as follows:

	2019	2018
	£	£
Payable by instalments	-	33,095
	<u> </u>	<u> </u>

10 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
84 Ordinary shares of £1 each	84	84
	<u> </u>	<u> </u>

11 Financial commitments, guarantees and contingent liabilities

At the reporting end date the company had outstanding commitments of £97,970 (2018: £129,008) for future minimum lease payments under non-cancellable operating leases.

