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A DORIS Group Company

Offshore Design Engineering Limited

Annual Report and Group Financial Statements

For the year ended 31 December 2018

Registered No. 1522642

Contents

Administrative Information

Directors	PR Godfrey F Thiébaud N Parsloe C Sailly
Company Secretary	RM Taylor
Registered Office	St George's House 5 St George's Road Wimbledon London SW19 4DR
Independent Auditor	Mazars LLP Tower Bridge House St Katharine's Way London, E1W 1DD
Solicitors	Mills & Reeve LLP 78-84 Colmore Row Birmingham, B3 2AB
Bankers	HSBC Bank Plc 60 Queen Victoria Street London, EC4N 4TR Lloyds TSB Bank Plc 1 Legg Street Essex, CM1 1JS Barclays Bank Plc Richmond Leicester, LE87 2BB

Strategic Report

The Directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2018.

Offshore Design Engineering Group ("the Group") comprises Offshore Design Engineering Limited ("the Company") and its subsidiary companies: ODE North Africa LLC ("ODENA"), registered and operating from Cairo, Egypt; and ODE Asset Management Ltd ("ODE AM"), incorporated on 26 April 2018 in England and Wales.

Principal activity

The principal activity of the Group is to provide engineering and ancillary services to the oil and gas and renewable energy industries.

Review and analysis of the business during the current financial year

Following difficult years from 2014 to 2017, the severe worldwide downturn in the Oil & Gas Industry has continued during 2018, but the oil price appears to have largely stabilised.

The downturn in Oil and Gas activities is such that it is driving fundamental changes that are now unlikely to be reversed. The Group and the shareholders, DORIS Engineering SA, see these issues as a major opportunity for the medium and longer term.

Conversely, services in offshore renewables have continued to see increased volumes during 2018 with new contracts being secured in both the UK and overseas. The Company's branch office in Taiwan is expanding and prospects for other new works in the far east region are strong.

The Group is financially strong and intends to remain and expand in both the Oil & Gas and Offshore Renewables businesses for the long term.

Key performance indicators

The Group has continued to consolidate its position within the UK and International Oil & Gas Markets and has extended its activities in Offshore Wind Farm Developments in North America, Europe and the Far East.

The Company's board of Directors monitors progress on the overall Group strategy by reference to two Key Performance Indicators:

	2018	2017	Definition, method of calculation and analysis
Growth/ (reduction) in sales (%)	84.3%	-1.3%	Year on year sales growth expressed as a percentage. The growth in sales in 2018 is notable and is consolidated by good prospects carried over for other new works into 2019. This turnaround is apparent in both the UK and Internationally.
Operating margin (%)	2.4%	0.8%	Operating margin is the ratio of operating profit to sales expressed as a percentage. Operating margins have been increased, despite additional costs being diverted to restructuring of the Group.

Development and financial performance during the current financial year

Despite difficult market conditions and extended internal costs relating to restructuring the business, the Group has returned a profit well in excess of budget in 2018. Investment in business development over the period has also provided an expanding work load in hand carried forward into 2019.

As of 31st December 2018 the restructured Group comprised:

a) Offshore Design Engineering Ltd for owner's engineer, engineering and project management services and design and build / project construction works. This includes the Egypt based subsidiary ODENA and the branch office in Taiwan.

Strategic report (Continued)

b) ODE Asset Management Ltd, a subsidiary of Offshore Design Engineering Ltd, which was incorporated on 26 April 2018 for the provision of Duty Holder and Operations and Maintenance works for offshore oil and gas facilities.

As of 2nd January 2019, the restructured Group now comprises:

a) ODE Group Ltd, a company wholly owned by DORIS Group SA (DORIS Engineering SA was renamed DORIS GROUP SA on the 1st January 2019)

b) Offshore Design Engineering Ltd, a company now wholly owned by ODE Group Ltd, for owner's engineer, engineering and project management services and design and build / project construction works. This includes the Egypt based subsidiary ODENA and the branch office in Taiwan.

c) ODE Asset Management Ltd, also now a company wholly owned by ODE Group Ltd, for the provision of Duty Holder and Operations and Maintenance works for offshore oil and gas facilities.

Financial position at the reporting date

The Group's result for the year after taxation amounted to a profit of £668,535 (2017: £106,954), and after other comprehensive income/ (loss) of £1,882 (2017: (£299)) and payment of a dividend of £50,000 (2017: £50,000), the transfer to reserves for the year amounted to £620,417 (2017: £56,655). The effect of this is an increase to the Group's net assets from £5,470,662 at 31 December 2017 to £6,091,079 at 31 December 2018.

The Company's result for the year after taxation amounted to a profit of £796,681 (2017: £93,680), and after other comprehensive income/ (loss) of £494 (2017: (£313)) and payment of a dividend of £50,000 (2017: £50,000), the transfer to reserves for the year amounted to £747,175 (2017: £43,367). The effect of this is an increase to the Company's net assets from £5,354,874 at 31 December 2017 to £6,102,049 at 31 December 2018.

Outlook for 2019

The Group is looking to continue to use both the downturn in Oil and Gas activities and the increase in Offshore Renewables to its benefit. The Group's revised organisational structure provides for expansion in the coming years and additional investment in core competencies and operating facilities during 2019 onwards. The Group has access to additional funds to finance this initiative.

It is anticipated that new office facilities will to be opened in Aberdeen during 2019 for the extension of the ODE Asset Management business from the Southern Gas basin and Central North Sea into the Northern North Sea. These new offices shall also allow for extended engineering and project management services into the Aberdeen market.

Opportunities for further expansion in Offshore Renewable overeas shall also be actively pursued.

Principal risks and uncertainties facing the Group

The principal risks in the Group's business are international political relations, oil price fluctuations and the shortages in skilled staff, as these can seriously affect the Group achieving its long term growth strategy.

Indicators of exposure to price risk, credit risk, liquidity risk and interest rate risk are considered in the Directors' report.

The Group's management does not consider Brexit to be a particular risk as it does not have significant trade with Europe. The Group considers its main markets to be the UK, North Africa and the Far East.

Approved on behalf of the board on 7 March 2019.

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PR Godfrey

Managing Director

Directors' report

The Directors present their report and the audited financial statements of the Company and Group for the year ended 31 December 2018.

As permitted by Paragraph 1A of schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 2-3. These matters relate to the principal activity, business review and principal risks and uncertainties.

Directors

The Directors who served the Company during the year and up to the date of this report, unless otherwise noted, were as follows:

P R Godfrey (Managing Director)

F Thiébaud (Resigned 02/01/19)

N Parsloe (Resigned 02/01/19)

C Sailly (Resigned 02/01/19)

A M Baker (Appointed 02/01/19)

Directors and officers' insurance

Insurance has been effected for Directors and officers against liabilities in relation to the Group.

Future developments

An indication of the likely future developments in the business is included in the Strategic report.

Going concern

The Group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and its exposures to credit, liquidity and interest rate cash flow risk are described in the Strategic Report on pages 2 and 3 and the Directors Report on pages 4 and 5.

The Group has considerable financial resources together with long-term contracts with a number of customers and suppliers. As a consequence, the Directors believe that the group is well placed to manage its business risks successfully.

The Directors confirm that they have complied with these requirements and, having a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, will continue to adopt the going concern basis in preparing the accounts.

Financial instruments

The Group's operations expose it to a variety of financial risks that include credit, liquidity, price and interest rate risk. The Group has in place mechanisms that seek to limit the adverse effects of potential financial risks. The Group does not use derivative financial instruments to manage these risks and as such no hedge accounting is applied.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables, and it has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The Group actively manages its finances to ensure that the Group has sufficient available funds for its operations.

Price risk

The Group's activities are impacted by oil and gas price fluctuations.

Directors' Report (Continued)

Financial instruments (Continued)

Interest rate cash flow risk

The Group has interest bearing assets which are held at floating rates, and the Group does not have interest bearing liabilities at 31 December 2018. The Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditor

So far as each person who is a Director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Group's auditor is unaware. Each Director has taken all steps that he ought to have taken in his duty as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Mazars LLP will therefore continue in office.

Approved on behalf of the board on 7 March 2019.

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PR Godfrey
Managing Director

Independent Auditor's Report to the member of Offshore Design Engineering Limited

Opinion

We have audited the financial statements of Offshore Design Engineering Limited and its subsidiaries (the 'Group') for the year ended 31 December 2018 which comprise the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of changes in equity, the Company statement of changes in equity and the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2018 and of the Group's profit/loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 3.
The terms on which the United Kingdom may withdraw from the European Union, currently due to occur on 29 March 2019, are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Group's and Company's trade, customers, suppliers and the wider economy. We considered the impact of Brexit on the Group and Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Group's and company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the management accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

Independent Auditor's Report (Continued)
to the member of Offshore Design Engineering Limited

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Independent Auditor's Report (Continued) to the member of Offshore Design Engineering Limited

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:

Richard Karmel (Senior Statutory Auditor)
for and on behalf of Mazars LLP, Tower Bridge House, St Katharine's Way, E1W 1DD
Chartered Accountants and Statutory Auditor
7 March 2019

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2018

Continuing Operations	Note:	**2018** £	**2017** £
Turnover	3	36,021,341	19,541,030
Cost of sales		(28,121,794)	(13,325,177)
Gross profit		**7,899,547**	**6,215,853**
Administrative expenses		(7,043,824)	(6,056,256)
Operating profit	4	**855,723**	**159,597**
Interest receivable and similar income	7	6,515	5,851
Interest payable and similar charges	8	(5)	-
Profit before taxation		**862,233**	**165,448**
Tax on profit	9	(193,698)	(58,494)
Profit for the year attributable to owners of the parent		**668,535**	**106,954**
Other comprehensive income/(loss)			
Currency translation differences		1,882	(299)
Total Comprehensive income for the year attributable to owners of the parent		**670,417**	**106,655**

The profit of £668,535 for the year ended 31 December 2018 (2017: £106,954) has derived in its entirety from continuing operations.

The notes on pages 14 to 28 are an integral part of these financial statements.

Consolidated Balance Sheet

As at 31 December 2018

	Note:	2018 £	2017 £
Fixed Assets			
Tangible assets	11	802,820	694,837
Intangible assets	12	46,657	34,102
		849,477	728,939
Current assets			
Debtors	14	12,420,979	6,365,973
Cash at bank and in hand		1,662,631	3,736,500
		14,083,610	10,102,473
Creditors: Amounts due within one year	15	(8,382,008)	(4,810,750)
Net current assets		**5,701,602**	**5,291,723**
Total assets less current liabilities		**6,551,079**	**6,020,662**
Provision for liabilities	16	(460,000)	(550,000)
Net assets		**6,091,079**	**5,470,662**
Capital and reserves			
Called up share capital	18	100,000	100,000
Share premium account		540,000	540,000
Capital redemption reserve		50,000	50,000
Profit and loss account		5,401,079	4,780,662
Total equity attributable to the owners of the parent		**6,091,079**	**5,470,662**

These financial statements were approved by the Board of Directors and authorised for issue on 7 March 2019

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PR Godfrey

Managing Director

The notes on pages 14 to 28 are an integral part of these financial statements.

Company Balance Sheet

As at 31 December 2018

	Note:	2018 £	2017 £
Fixed Assets			
Tangible assets	11	788,602	683,998
Intangible assets	12	43,045	33,112
Investment in subsidiary undertakings	13	70,778	9,416
		902,425	726,526
Current assets			
Debtors	14	11,965,711	6,087,608
Cash at bank and in hand		1,480,500	3,674,907
		13,446,211	9,762,515
Creditors: Amounts due within one year	15	(7,786,587)	(4,584,167)
Net current assets		**5,569,624**	**5,178,348**
Total assets less current liabilities		6,562,049	5,904,874
Provision for liabilities	16	(460,000)	(550,000)
Net assets		**6,102,049**	**5,354,874**
Capital and reserves			
Called up share capital	18	100,000	100,000
Share premium account		540,000	540,000
Capital redemption reserve		50,000	50,000
Profit and loss account		5,412,049	4,664,874
Total equity attributable to the owners of the parent		**6,102,049**	**5,354,874**

These financial statements were approved by the Board of Directors and authorised for issue on 7 March 2019

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PR Godfrey

Managing Director

The notes on pages 14 to 28 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

	Called-up share account	Share premium account	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£	£
At 1 January 2017	**100,000**	**540,000**	**50,000**	**4,724,007**	**5,414,007**
Profit for the year	-	-	-	106,954	106,954
Other comprehensive income	-	-	-	(299)	(299)
Total comprehensive income	-	-	-	106,655	106,655
Dividends paid (interim)	-	-	-	(50,000)	(50,000)
At 31 December 2017	**100,000**	**540,000**	**50,000**	**4,780,662**	**5,470,662**
Profit for the year	-	-	-	668,535	668,535
Other comprehensive income	-	-	-	1,882	1,882
Total comprehensive income	-	-	-	670,417	670,417
Dividends paid (interim)	-	-	-	(50,000)	(50,000)
At 31 December 2018	**100,000**	**540,000**	**50,000**	**5,401,079**	**6,091,079**

Reserves

The share premium account represents the amount received for shares over and above the par value.

The capital redemption reserve represents the statutory reserve for share capital redeemed in prior years.

The profit and loss account represents cumulative profits and losses of the Group.

The notes on pages 14 to 28 are an integral part of these financial statements.

Company Statement of Changes in Equity

For the year ended 31 December 2018

	Called-up share account £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2017	**100,000**	**540,000**	**50,000**	**4,621,507**	**5,311,507**
Profit for the year	-	-	-	93,680	93,680
Other comprehensive income	-	-	-	(313)	(313)
Total comprehensive income	-	-	-	93,367	93,367
Dividends paid (interim)	-	-	-	(50,000)	(50,000)
At 31 December 2017	**100,000**	**540,000**	**50,000**	**4,664,874**	**5,354,874**
Profit for the year	-	-	-	796,681	796,681
Other comprehensive income	-	-	-	494	494
Total comprehensive income	-	-	-	797,175	797,175
Dividends paid (interim)	-	-	-	(50,000)	(50,000)
At 31 December 2018	**100,000**	**540,000**	**50,000**	**5,412,049**	**6,102,049**

Reserves

The share premium account represents the amount received for shares over and above the par value.

The capital redemption reserve represents the statutory reserve for share capital redeemed in prior years.

The profit and loss account represents cumulative profits and losses of the Company.

The Company has elected to take the exemption permitted under Section 408 of the Companies Act 2006 not to present the Company's profit and loss. The Company's profit for the year was £796,681 (2017: £93,680).

The notes on pages 14 to 28 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2018

	Note:	2018 £	2017 £
Profit for the financial year:		668,535	106,954
Adjustments for:			
Tax on profit		193,698	58,494
Interest receivable		(6,515)	(5,851)
Interest payable		5	-
Operating profit		855,723	159,597
Depreciation of tangible assets	11	181,910	194,224
Amortisation of intangible assets	12	22,207	23,693
Operating cash flow before movement in working capital		1,059,840	377,514
(Increase) in trade and other debtors	14	(6,158,783)	(1,162,468)
Increase/(decrease) in trade and other creditors		3,571,258	(137,146)
(Decrease) in provision for onerous contracts		(90,000)	(920,000)
Income tax paid		(89,921)	(62,973)
Net cash flows from operating activities		(1,707,606)	(1,905,073)
Investing activities			
Purchase of tangible assets	11	(289,893)	(41,967)
Purchase of intangible assets	12	(34,762)	491
Interest received		6,515	5,851
Net cash flows from investing activities		**(318,140)**	**(35,625)**
Financing activities			
Dividends paid		(50,000)	(100,000)
Interest paid		(5)	-
Net cash flows from financing activities		**(50,005)**	**(100,000)**
Net (decrease) in cash and cash equivalents		**(2,075,751)**	**(1,990,698)**
Effect of exchange rates on cash and cash equivalents		1,882	(299)
Cash and cash equivalents at the beginning of the year		3,736,500	5,727,497
Cash and cash equivalents at end of the year		**1,662,631**	**3,736,500**

The Group's bankers have placed a restriction over £23,970 (2017: £24,410) of the Group's cash assets to support current bank bonds issued on behalf of the Group.

Notes to the Financial Statements

For the year ended 31 December 2018

1 Accounting policies

1.1 General information

Offshore Design Engineering Limited ("the Company") is a limited company incorporated in the United Kingdom. The address of its registered office and principal place of business is St Georges' House, 5 St George's Road, Wimbledon, London, SW19 4DR.

The Company is a parent undertaking and therefore these consolidated financial statements present the financial information of the Company and its subsidiary undertakings ODE North Africa LLC ("ODENA") and ODE Asset Management Ltd ("ODE AM") (together referred to as "the Group"), as well as the Company's individual financial statements.

The principal activity of the Group is to provide engineering and ancillary services to the oil and gas and renewable energy industries.

These consolidated and Company financial statements have been presented in Pound Sterling as this is the Company's functional currency, being the primary economic environment in which the Company operates.

1.2 Basis of preparation

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 applicable legislation, as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These financial statements have been prepared under the historical cost convention.

1.3 Basis of consolidation

The consolidated financial statements incorporate the results of the Company and its subsidiary undertakings, ODENA and ODE AM. The Company has control over ODENA and ODE AM, thereby having the power to govern its financial and operating policies so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. The financial years of ODENA and ODE AM is coterminous with that of the Company.

Details of ODENA and ODE AM are set out in note 13.

1.4 Going concern

The Group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and its exposures to credit, liquidity and interest rate cash flow risk are described in the Strategic Report on pages 2 and 3 and the Directors Report on pages 4 and 5.

The Group has considerable financial resources together with long-term contracts with a number of customers and suppliers. As a consequence, the Directors believe that the group is well placed to manage its business risks successfully.

The Directors confirm that they have complied with these requirements and, having a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, will continue to adopt the going concern basis in preparing the accounts.

1.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts for the provision of engineering and ancillary services in the normal course of business, net of discounts, VAT and other sales-related taxes

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1. **Accounting policies** (continued)

1.5 Revenue recognition (continued)

Revenue is recognised over the period in which the engineering and ancillary services are performed. Where a contract is only partially completed at the reporting date revenue is recognised as the fair value of the service provided to date based on the stage of completion of the contract activity at the reporting date.

1.6 Long-term contracts

When the outcome of a long-term contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date. This is normally measured by the proportion that contract costs incurred for the work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

Where the outcome of a long term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Amounts recoverable on long term contracts are included in debtors. Amounts received in excess of revenue recognised are classified as contract payment received in advance and included in creditors due within one year.

1.7 Taxation

Tax expense for the year comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, and that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of profit or loss, other comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1. Accounting policies (continued)

1.8 Foreign currency

Foreign currency transactions are translated into the functional currency of the reporting entity using the exchange rate prevailing at the date the transactions took place.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at the reporting date of monetary assets and liabilities are reported in profit or loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated from Egyptian Pounds (EGP), their functional currency, to Sterling (£) using the closing exchange rate. Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of group companies are recognised in other comprehensive income and are not reclassified to profit or loss.

1.9 Tangible assets

Tangible assets, which comprise leasehold improvements, fixtures and fittings and computer hardware, are initially recognised at cost, being the purchase price plus any directly attributable costs, and are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is charged on a straight line basis to administrative expenses in profit or loss so as to allocate the asset's cost, less its estimated residual value, over its estimated useful life. The useful lives are as follows:

Leasehold improvements	6.7% per annum
Fixtures and fittings	25% per annum
Computer hardware	33.3% and 50% per annum

Tangible assets are tested for impairment where an indication of impairment exists at the reporting date.

1.10 Intangible assets

Intangible assets are initially recognised at cost, being the purchase price plus any directly attributable costs, and are subsequently measured at cost less any accumulated amortisation and impairment losses.

Amortisation is charged on a straight line basis to administrative expenses in profit or loss over the shorter of the useful life of the asset or the contractual or legal rights arising on acquisition. The useful lives are as follows:

Computer software	33.3% per annum

Computer software is recognised separately as an intangible asset if it is not integral to the associated computer hardware.

1.11 Investment in subsidiary undertakings

Investments in subsidiaries are stated at cost less accumulated impairment losses in the individual financial statements. The investment is tested for impairment where an indication of impairment exists at the reporting date.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 **Accounting policies** (continued)

1.12 Impairment of assets

At each reporting date, the Group reviews the carrying value of its 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.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent year if, and only if, the reasons for the impairment loss have ceased to apply.

1.13 Provisions on onerous contracts

An onerous contract is one where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. When it is probable that total contract costs will exceed total contract revenue on a particular contract, the expected loss is to be recognised as an expense immediately, with a corresponding provision for an onerous contract. The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation, as well as the market conditions, and client expectations and previous experience of dealing with the client.

1.14 Financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. The Group holds basic financial instruments, which comprise cash at bank and in hand, trade and other debtors and trade and other creditors. The Group has chosen to apply the measurement and recognition provisions of Section 11 'Basic Financial Instruments' in full.

Financial assets – classified as basic financial instruments

(i) Trade and other debtors

Trade and other debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Amounts that are receivable within one year are measured at the undiscounted amount of the amount expected to be receivable, net of any impairment.

Where a financial asset constitutes a financing transaction it is initially measured at the present value of the future payments, discounted at a market rate of interest.

At the end of each reporting year, the Group assesses whether there is objective evidence that any financial asset amount may be impaired. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the financial assets. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the provision is recognised immediately in profit or loss.

Financial liabilities – classified as basic financial instruments

(i) Trade and other creditors

Trade and other creditors are initially measured at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Amounts that are payable within one year are measured at the undiscounted amount of the amount expected to be payable.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1. **Accounting policies** (continued)

1.14 Financial instruments (continued)

Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

1.15 Employee benefits

***(i)* Defined contribution pension scheme**

The Group operates a defined contribution pension scheme.

Obligations for contributions to the defined contribution pension plan are charged to the profit or loss in the year to which the contributions relate.

***(ii)* Short-term benefits**

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. An accrual is recognised for short term compensated absences where entitlement has accumulated, but has not been taken, at the reporting date.

1.16 Operating lease arrangements

Payments made under operating lease arrangements are charged to profit or loss on a straight-line basis over the lease term. Benefits receivable as operating lease incentives are recognised within profit or loss on a straight-line basis over the lease term.

2. **Critical accounting judgements and key sources of estimation uncertainty**

In applying the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

2.1 Critical judgements in applying the Group's accounting policies

The critical judgements that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the Directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

(ii) Assessing the functional currency

The Directors are required to identify the functional currency of the Company and each subsidiary undertaking, which is defined as the primary economic environment in which the entity operates. In making this judgement the Directors have considered factors such as the currency which mainly influences both sales and cost prices, and the countries whose competitive forces and regulations affect those prices. Where the functional currency is not clearly identifiable, the Directors use judgement to determine which currency most faithfully represents the entity's primary economic environment.

(iii) Assessing the recoverability of deferred tax assets

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

2.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Recoverability of receivables

The Group establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the Directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

(ii) Revenue recognition

The Group uses the percentage of completion method to recognise project revenue for fixed price contracts. This method requires the Directors to estimate the level of services performed at each reporting date as a proportion of the total services to be performed to complete the contract. Variations to estimates could result in the over or under recognition of revenue.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

3. Turnover

An analysis of the Group's revenue by class and category of business is as follows:

	2018	2017
	£	£
Provision of services	35,723,664	19,269,075
Rental income	297,677	271,955
	36,021,341	19,541,030

An analysis of the Group's revenue by geographical market is as follows:

	2018	2017
	£	£
United Kingdom	30,293,047	15,262,276
Other European Countries	1,659,573	1,866,847
Rest of the World	4,068,721	2,411,907
	36,021,341	19,541,030

4. Operating profit

Operating profit is stated after charging / (crediting):

	2018	2017
	£	£
Depreciation of tangible assets	181,910	194,224
Amortisation of intangible assets	22,207	23,693
Operating lease expenses	834,446	798,552
Foreign exchange differences	1,758	22,366
Provision for onerous contracts	(90,000)	(920,000)
Auditor's remuneration	68,432	49,324

An analysis of the auditor's remuneration is as follows:		
Fees payable to the Company's auditor and its associates for the audit of the Company's and the Group's consolidated financial statements	51,404	43,400
Fees payable to the Company's auditor and its associates for other services to the Company:	3,500	-
The audit of the Company's subsidiary	13,528	5,924
	68,432	49,324

5. Staff costs

	2018	2017
	£	£
Staff costs	8,182,482	6,243,425
Social security costs	903,228	771,768
Pension costs	935,289	832,485
Health insurance and other costs	180,745	130,365
	10,201,744	7,978,043

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

5 **Staff Costs** (continued)

The average monthly number of employees (including executive Directors) was:

	2018	2017
Technical and administration	169	145

The key management personnel of the Group are considered to be the executive Directors and executive management.

6. **Directors' remuneration and transactions**

Total remuneration paid to the Directors of the Group:

	2018	2017
	£	£
Emoluments	290,704	208,450
Pension scheme contributions	2,916	8,516
	293,620	**216,966**

Remuneration paid to the highest paid Director of the Group:

	2018	2017
	£	£
Emoluments	290,704	208,450
Pension scheme contributions	2,916	8,516
	293,620	**216,966**

Director's membership of pension scheme

	2018	2017
Money purchase	1	1

The remaining Directors are also Directors of the shareholder and its subsidiaries. The remaining Directors are not remunerated by the Group but by other companies of the shareholder. The Directors do not believe it is practicable to apportion Directors' emoluments between their services as Directors of the Group and their services as Directors of the shareholder and other companies of the shareholder.

7. **Interest receivable and similar income**

	2018	2017
	£	£
Interest receivable	6,515	5,851
	6,515	5,851

8. **Interest payable and similar charges**

	2018	2017
	£	£
Interest payable	5	-
	5	-

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

9. Tax on profit

The tax charge comprises:

	2018	2017
	£	£
Current tax		
UK corporation tax	90,907	47,606
Adjustments in respect of prior years	(11,464)	-
Foreign tax relief/ other relief	(32,714)	(1,925)
Foreign tax suffered	43,192	17,292
Total current tax	**89,921**	**62,973**
Deferred tax		
Origination and reversal of timing differences	110,292	(14,365)
Adjustment in respect of previous periods	546	(9,906)
Effect of change in tax rate	(7,061)	19,792
Total deferred tax	**103,777**	**(4,479)**
Total tax on profit	**193,698**	**58,494**

Tax on profit for the year is higher than the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are reconciled below:

	2018	2017
	£	£
Profit before taxation	862,233	165,448
Tax on profit at standard UK tax rate of 19% (2017: 19.25%)	163,824	31,842
Disallowable expenses and non-taxable income	3,639	7,406
Income not taxable	(2,999)	-
Effects of overseas tax rates	38,859	5,725
Tax gains/ (losses) not previously recognised	9,264	1,842
Tax rate changes	(7,061)	20,317
Impact of overseas losses	2,728	=
Adjustments in respect of prior periods	(14,556)	(8,638)
Total tax expense for the year	193,698	58,494

Factors that may affect future tax charges

The UK corporation tax rate during the year was 19%. Deferred tax balances at the reporting date are measured at 17% (2017: 17%).

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) was announced in July 2015. *In March 2016 a further reduction in corporation tax (effective from 1 April 2020) was announced,* setting the rate at 17%.

10. Dividends

	2018	2017
	£	£
Interim paid during the year	50,000	50,000
	50,000	50,000

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

11. Tangible assets

Group

	Leasehold Improvements £	Fixtures & Fittings £	Computer Hardware £	Total £
Cost				
At 1 January 2018	694,879	572,398	607,478	1,874,755
Additions	89,082	54,461	146,350	289,893
Disposals	-	-	(7,743)	(7,743)
At 31 December 2018	783,961	626,859	746,085	2,156,905
Depreciation and Impairment				
At 1 January 2018	138,598	493,807	547,513	1,179,918
Depreciation charge	50,250	74,155	57,505	181,910
Disposals	-	-	(7,743)	(7,743)
At 31 December 2018	188,848	567,962	597,275	1,354,085
Carrying value				
At 31 December 2018	595,113	58,897	148,810	802,820
At 31 December 2017	556,281	78,591	59,965	694,837

Company

	Leasehold Improvements £	Fixtures & Fittings £	Computer Hardware £	Total £
Cost				
At 1 January 2018	694,879	553,235	575,737	1,823,851
Additions	89,082	47,358	138,952	275,392
Disposals	-	-	(7,743)	(7,743)
At 31 December 2018	783,961	600,593	706,946	2,091,500
Depreciation and Impairment				
At 1 January 2018	138,599	480,591	520,663	1,139,853
Depreciation charge	50,250	69,781	50,757	170,788
Disposals	-	-	(7,743)	(7,743)
At 31 December 2018	188,849	550,372	563,677	1,302,898
Carrying value				
At 31 December 2018	595,112	50,221	143,269	788,602
At 31 December 2017	556,280	72,644	55,074	683,998

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

12. Intangible assets

Computer Software	**Group** £	**Company** £
Cost		
At 1 January 2018	464,631	437,745
Additions	34,762	26,932
Disposals	-	-
At 31 December 2018	499,393	464,677
Amortisation and impairment		
At 1 January 2018	430,529	404,633
Amortisation charge for the year	22,207	16,999
Disposals	-	-
At 31 December 2018	452,736	421,632
Carrying value		
At 31 December 2018	46,657	43,045
At 31 December 2017	34,102	33,112

13. Investment in subsidiary undertaking

Company

Cost and carrying value

	2018 £	**2017** £
ODE North Africa LLC ("ODENA")	70,678	9,416
ODE Asset Management Ltd ("ODE AM")	100	-
Total investments	70,778	9,416

The Company has the following investment in subsidiary undertaking:

Name	**Country of incorporation**	**Principal activity**	**Proportion of capital held**
ODENA	Cairo, Egypt	Provide engineering and ancillary services	100%
ODE AM	England and Wales	Provide duty holder and operations and maintenance activities for offshore oil and gas facilities.	100%

ODE Asset Management Ltd was incorporated on 26 April 2018.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

14. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Amounts due within one year				
Trade debtors	5,355,526	2,963,981	4,486,195	2,740,216
Amounts recoverable on long-term service contracts	4,812,995	1,762,339	4,579,860	1,669,341
Amounts owed by related parties	378,841	32,881	378,841	32,881
Amounts owed by subsidiary companies	-	-	749,738	98,546
Other debtors	4,328	1,765	4,328	1,765
Prepayments and accrued income	1,090,660	871,275	988,121	811,127
Corporation tax	340,339	191,665	340,338	191,665
Deferred tax (note 17)	438,290	542,067	438,290	542,067
	12,420,979	6,365,973	11,965,711	6,087,608

15. Creditors: Amounts due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	2,708,660	355,844	2,641,666	338,921
Amounts owed to subsidiary companies	-	-	2,923	23,962
Social security and other taxes	604,177	346,349	413,531	256,939
Accruals and deferred income	4,325,923	3,788,564	4,192,783	3,652,620
VAT payable	547,339	311,725	424,090	311,725
Corporation tax	54,657	8,268	51,554	-
Contracts paid in advance	141,252		60,040	
	8,382,008	4,810,750	7,786,587	4,584,167

16. Provision for liabilities

Group and Company	2018 £	2017 £
Provision for onerous contracts		
At 1 January	550,000	1,470,000
Additions to the provision	-	150,000
Amounts charged against the provision	(70,000)	(420,000)
Release of the provision	(20,000)	(650,000)
At 31 December	460,000	550,000

The Company has recognised the provision for onerous contracts which are ongoing as at the balance sheet date.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

17. Deferred taxation

Group and Company	Tax losses	Research & development expenditure credit	Accelerated capital allowances	Other short term timing differences	Total
	£	£	£	£	£
At 1 January 2018	(198,212)	(372,457)	31,152	(2,550)	(542,067)
Credit to profit or loss	-	-	(15,241)	-	(15,241)
Reversed – debit to profit or loss	90,695	9,797	-	18,526	119,018
As 31 December 2018	(107,517)	(362,660)	15,911	15,976	(438,290)

Net deferred tax (asset)	(438,290)
Comprising of	
Deferred tax (assets)	(454,201)
Deferred tax liabilities	15,911
	(438,290)

Deferred tax asset brought forward:

	2018	2017
	£	£
Deferred tax asset brought forward	(542,067)	(537,588)
Deferred tax charge/ (credit) to income statement for the year	103,231	5,427
Adjustment in respect of prior periods	546	(9,906)
Deferred tax asset carried forward	(438,290)	(542,067)

Deferred tax assets and liabilities are offset only when the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

18. Share capital

	2018	2017
	£	£
Authorised, allotted, called-up and fully paid:		
100,000 ordinary shares of £1 each	100,000	100,000
	100,000	100,000

The Company has one class of ordinary shares; each share carries one voting right per share but no right to fixed income.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

19. Commitments

The Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases as at the reporting date as follows:

	Land and buildings	
	2018	**2017**
	£	**£**
Not later than one year	707,175	704,830
Later than one year and not later than five years	2,513,836	2,553,836
Later than five years	3,634,299	4,257,758
	6,855,310	7,516,424

The Group's bankers have a debenture comprising of fixed and floating charges over all the assets and undertakings of Offshore Design Engineering Limited, which is used to support bank overdrafts and bank guarantees issued from time to time. The Group's bankers have placed a restriction over £23,970 (2017: £24,410) of the Group's cash assets to support current bank bonds issued on behalf of the Group.

Neither the Group nor the Company have entered into any capital commitments at the reporting date (2017: None).

20. Post-retirement benefits

The Company operates a defined contribution pension scheme whose assets are held separately from those of the Company in an independently administered scheme. In addition, the Company funds private pension plans for selected staff.

The total pension charge for the period, representing contributions made by the Company to the funds, amounted to £935,289 (2017: £832,485). The contributions payable as at 31 December 2018 are £91,065 (2017: £64,709).

21. Related party transactions

Transactions with Doris Engineering SA (France) and its subsidiary companies are as follows:

	Revenue 2018	**Revenue 2017**	**Costs 2018**	**Costs 2017**
Doris Engineering SA	570,435	271,360	-	44,461
	570,435	271,360	-	44,461

	Debtor 2018	**Debtor 2017**
Doris Engineering SA	393,644	32,881
	393,644	32,881

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

22. Parent undertaking and ultimate controlling party

The Company's 100% shareholder and ultimate controlling party is Doris Engineering SA (renamed Doris Group SA on 1 January 2019), incorporated in France.

23. Events after the reporting period

Group and Company

There was a restructure of both Doris Engineering SA and ODE Group after the end of the reporting period. Doris Engineering SA was renamed Doris Group SA on 1 January 2019. A new intermediate holding company, ODE Group Ltd, was created in a share for share exchange with Offshore Design Engineering Ltd (ODE) on the 2 January 2019, and ODE's shareholding in ODE Asset Management Ltd was passed up to ODE Group Ltd by way of a dividend in specie.

A DORIS Group Company

Offshore Design Engineering Limited

Annual Report and Group Financial Statements

For the year ended 31 December 2018

Registered No. 1522642

Contents

Administrative Information

Directors	PR Godfrey F Thiébaud N Parsloe C Sailly
Company Secretary	RM Taylor
Registered Office	St George's House 5 St George's Road Wimbledon London SW19 4DR
Independent Auditor	Mazars LLP Tower Bridge House St Katharine's Way London, E1W 1DD
Solicitors	Mills & Reeve LLP 78-84 Colmore Row Birmingham, B3 2AB
Bankers	HSBC Bank Plc 60 Queen Victoria Street London, EC4N 4TR Lloyds TSB Bank Plc 1 Legg Street Essex, CM1 1JS Barclays Bank Plc Richmond Leicester, LE87 2BB

Strategic Report

The Directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2018.

Offshore Design Engineering Group ("the Group") comprises Offshore Design Engineering Limited ("the Company") and its subsidiary companies: ODE North Africa LLC ("ODENA"), registered and operating from Cairo, Egypt; and ODE Asset Management Ltd ("ODE AM"), incorporated on 26 April 2018 in England and Wales.

Principal activity

The principal activity of the Group is to provide engineering and ancillary services to the oil and gas and renewable energy industries.

Review and analysis of the business during the current financial year

Following difficult years from 2014 to 2017, the severe worldwide downturn in the Oil & Gas Industry has continued during 2018, but the oil price appears to have largely stabilised.

The downturn in Oil and Gas activities is such that it is driving fundamental changes that are now unlikely to be reversed. The Group and the shareholders, DORIS Engineering SA, see these issues as a major opportunity for the medium and longer term.

Conversely, services in offshore renewables have continued to see increased volumes during 2018 with new contracts being secured in both the UK and overseas. The Company's branch office in Taiwan is expanding and prospects for other new works in the far east region are strong.

The Group is financially strong and intends to remain and expand in both the Oil & Gas and Offshore Renewables businesses for the long term.

Key performance indicators

The Group has continued to consolidate its position within the UK and International Oil & Gas Markets and has extended its activities in Offshore Wind Farm Developments in North America, Europe and the Far East.

The Company's board of Directors monitors progress on the overall Group strategy by reference to two Key Performance Indicators:

	2018	2017	Definition, method of calculation and analysis
Growth/ (reduction) in sales (%)	84.3%	-1.3%	Year on year sales growth expressed as a percentage. The growth in sales in 2018 is notable and is consolidated by good prospects carried over for other new works into 2019. This turnaround is apparent in both the UK and Internationally.
Operating margin (%)	2.4%	0.8%	Operating margin is the ratio of operating profit to sales expressed as a percentage. Operating margins have been increased, despite additional costs being diverted to restructuring of the Group.

Development and financial performance during the current financial year

Despite difficult market conditions and extended internal costs relating to restructuring the business, the Group has returned a profit well in excess of budget in 2018. Investment in business development over the period has also provided an expanding work load in hand carried forward into 2019.

As of 31st December 2018 the restructured Group comprised:

a) Offshore Design Engineering Ltd for owner's engineer, engineering and project management services and design and build / project construction works. This includes the Egypt based subsidiary ODENA and the branch office in Taiwan.

Strategic report (Continued)

b) ODE Asset Management Ltd, a subsidiary of Offshore Design Engineering Ltd, which was incorporated on 26 April 2018 for the provision of Duty Holder and Operations and Maintenance works for offshore oil and gas facilities.

As of 2nd January 2019, the restructured Group now comprises:

a) ODE Group Ltd, a company wholly owned by DORIS Group SA (DORIS Engineering SA was renamed DORIS GROUP SA on the 1st January 2019)

b) Offshore Design Engineering Ltd, a company now wholly owned by ODE Group Ltd, for owner's engineer, engineering and project management services and design and build / project construction works. This includes the Egypt based subsidiary ODENA and the branch office in Taiwan.

c) ODE Asset Management Ltd, also now a company wholly owned by ODE Group Ltd, for the provision of Duty Holder and Operations and Maintenance works for offshore oil and gas facilities.

Financial position at the reporting date

The Group's result for the year after taxation amounted to a profit of £668,535 (2017: £106,954), and after other comprehensive income/ (loss) of £1,882 (2017: (£299)) and payment of a dividend of £50,000 (2017: £50,000), the transfer to reserves for the year amounted to £620,417 (2017: £56,655). The effect of this is an increase to the Group's net assets from £5,470,662 at 31 December 2017 to £6,091,079 at 31 December 2018.

The Company's result for the year after taxation amounted to a profit of £796,681 (2017: £93,680), and after other comprehensive income/ (loss) of £494 (2017: (£313)) and payment of a dividend of £50,000 (2017: £50,000), the transfer to reserves for the year amounted to £747,175 (2017: £43,367). The effect of this is an increase to the Company's net assets from £5,354,874 at 31 December 2017 to £6,102,049 at 31 December 2018.

Outlook for 2019

The Group is looking to continue to use both the downturn in Oil and Gas activities and the increase in Offshore Renewables to its benefit. The Group's revised organisational structure provides for expansion in the coming years and additional investment in core competencies and operating facilities during 2019 onwards. The Group has access to additional funds to finance this initiative.

It is anticipated that new office facilities will to be opened in Aberdeen during 2019 for the extension of the ODE Asset Management business from the Southern Gas basin and Central North Sea into the Northern North Sea. These new offices shall also allow for extended engineering and project management services into the Aberdeen market.

Opportunities for further expansion in Offshore Renewable overeas shall also be actively pursued.

Principal risks and uncertainties facing the Group

The principal risks in the Group's business are international political relations, oil price fluctuations and the shortages in skilled staff, as these can seriously affect the Group achieving its long term growth strategy.

Indicators of exposure to price risk, credit risk, liquidity risk and interest rate risk are considered in the Directors' report.

The Group's management does not consider Brexit to be a particular risk as it does not have significant trade with Europe. The Group considers its main markets to be the UK, North Africa and the Far East.

Approved on behalf of the board on 7 March 2019.

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PR Godfrey
Managing Director

Directors' report

The Directors present their report and the audited financial statements of the Company and Group for the year ended 31 December 2018.

As permitted by Paragraph 1A of schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 2-3. These matters relate to the principal activity, business review and principal risks and uncertainties.

Directors

The Directors who served the Company during the year and up to the date of this report, unless otherwise noted, were as follows:

P R Godfrey (Managing Director)

F Thiébaud (Resigned 02/01/19)

N Parsloe (Resigned 02/01/19)

C Sailly (Resigned 02/01/19)

A M Baker (Appointed 02/01/19)

Directors and officers' insurance

Insurance has been effected for Directors and officers against liabilities in relation to the Group.

Future developments

An indication of the likely future developments in the business is included in the Strategic report.

Going concern

The Group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and its exposures to credit, liquidity and interest rate cash flow risk are described in the Strategic Report on pages 2 and 3 and the Directors Report on pages 4 and 5.

The Group has considerable financial resources together with long-term contracts with a number of customers and suppliers. As a consequence, the Directors believe that the group is well placed to manage its business risks successfully.

The Directors confirm that they have complied with these requirements and, having a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, will continue to adopt the going concern basis in preparing the accounts.

Financial instruments

The Group's operations expose it to a variety of financial risks that include credit, liquidity, price and interest rate risk. The Group has in place mechanisms that seek to limit the adverse effects of potential financial risks. The Group does not use derivative financial instruments to manage these risks and as such no hedge accounting is applied.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables, and it has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The Group actively manages its finances to ensure that the Group has sufficient available funds for its operations.

Price risk

The Group's activities are impacted by oil and gas price fluctuations.

Directors' Report (Continued)

Financial instruments (Continued)

Interest rate cash flow risk

The Group has interest bearing assets which are held at floating rates, and the Group does not have interest bearing liabilities at 31 December 2018. The Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditor

So far as each person who is a Director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Group's auditor is unaware. Each Director has taken all steps that he ought to have taken in his duty as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Mazars LLP will therefore continue in office.

Approved on behalf of the board on 7 March 2019.

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PR Godfrey
Managing Director

Independent Auditor's Report to the member of Offshore Design Engineering Limited

Opinion

We have audited the financial statements of Offshore Design Engineering Limited and its subsidiaries (the 'Group') for the year ended 31 December 2018 which comprise the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of changes in equity, the Company statement of changes in equity and the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2018 and of the Group's profit/loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 3.
The terms on which the United Kingdom may withdraw from the European Union, currently due to occur on 29 March 2019, are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Group's and Company's trade, customers, suppliers and the wider economy. We considered the impact of Brexit on the Group and Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Group's and company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the management accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

Independent Auditor's Report (Continued) to the member of Offshore Design Engineering Limited

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Independent Auditor's Report (Continued)
to the member of Offshore Design Engineering Limited

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:

Richard Karmel (Senior Statutory Auditor)
for and on behalf of Mazars LLP, Tower Bridge House, St Katharine's Way, E1W 1DD
Chartered Accountants and Statutory Auditor
7 March 2019

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2018

Continuing Operations	Note:	2018 £	2017 £
Turnover	3	36,021,341	19,541,030
Cost of sales		(28,121,794)	(13,325,177)
Gross profit		**7,899,547**	**6,215,853**
Administrative expenses		(7,043,824)	(6,056,256)
Operating profit	4	**855,723**	**159,597**
Interest receivable and similar income	7	6,515	5,851
Interest payable and similar charges	8	(5)	-
Profit before taxation		**862,233**	**165,448**
Tax on profit	9	(193,698)	(58,494)
Profit for the year attributable to owners of the parent		**668,535**	**106,954**
Other comprehensive income/(loss)			
Currency translation differences		1,882	(299)
Total Comprehensive income for the year attributable to owners of the parent		**670,417**	**106,655**

The profit of £668,535 for the year ended 31 December 2018 (2017: £106,954) has derived in its entirety from continuing operations.

The notes on pages 14 to 28 are an integral part of these financial statements.

Consolidated Balance Sheet

As at 31 December 2018

	Note:	2018 £	2017 £
Fixed Assets			
Tangible assets	11	802,820	694,837
Intangible assets	12	46,657	34,102
		849,477	728,939
Current assets			
Debtors	14	12,420,979	6,365,973
Cash at bank and in hand		1,662,631	3,736,500
		14,083,610	10,102,473
Creditors: Amounts due within one year	15	(8,382,008)	(4,810,750)
Net current assets		**5,701,602**	**5,291,723**
Total assets less current liabilities		**6,551,079**	**6,020,662**
Provision for liabilities	16	(460,000)	(550,000)
Net assets		**6,091,079**	**5,470,662**
Capital and reserves			
Called up share capital	18	100,000	100,000
Share premium account		540,000	540,000
Capital redemption reserve		50,000	50,000
Profit and loss account		5,401,079	4,780,662
Total equity attributable to the owners of the parent		**6,091,079**	**5,470,662**

These financial statements were approved by the Board of Directors and authorised for issue on 7 March 2019

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PR Godfrey

Managing Director

The notes on pages 14 to 28 are an integral part of these financial statements.

Company Balance Sheet

As at 31 December 2018

	Note:	2018 £	2017 £
Fixed Assets			
Tangible assets	11	788,602	683,998
Intangible assets	12	43,045	33,112
Investment in subsidiary undertakings	13	70,778	9,416
		902,425	726,526
Current assets			
Debtors	14	11,965,711	6,087,608
Cash at bank and in hand		1,480,500	3,674,907
		13,446,211	9,762,515
Creditors: Amounts due within one year	15	(7,786,587)	(4,584,167)
Net current assets		**5,569,624**	**5,178,348**
Total assets less current liabilities		6,562,049	5,904,874
Provision for liabilities	16	(460,000)	(550,000)
Net assets		**6,102,049**	**5,354,874**
Capital and reserves			
Called up share capital	18	100,000	100,000
Share premium account		540,000	540,000
Capital redemption reserve		50,000	50,000
Profit and loss account		5,412,049	4,664,874
Total equity attributable to the owners of the parent		**6,102,049**	**5,354,874**

These financial statements were approved by the Board of Directors and authorised for issue on 7 March 2019

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PR Godfrey

Managing Director

The notes on pages 14 to 28 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

	Called-up share account £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2017	**100,000**	**540,000**	**50,000**	**4,724,007**	**5,414,007**
Profit for the year	-	-	-	106,954	106,954
Other comprehensive income	-	-	-	(299)	(299)
Total comprehensive income	-	-	-	106,655	106,655
Dividends paid (interim)	-	-	-	(50,000)	(50,000)
At 31 December 2017	**100,000**	**540,000**	**50,000**	**4,780,662**	**5,470,662**
Profit for the year	-	-	-	668,535	668,535
Other comprehensive income	-	-	-	1,882	1,882
Total comprehensive income	-	-	-	670,417	670,417
Dividends paid (interim)	-	-	-	(50,000)	(50,000)
At 31 December 2018	**100,000**	**540,000**	**50,000**	**5,401,079**	**6,091,079**

Reserves

The share premium account represents the amount received for shares over and above the par value.

The capital redemption reserve represents the statutory reserve for share capital redeemed in prior years.

The profit and loss account represents cumulative profits and losses of the Group.

The notes on pages 14 to 28 are an integral part of these financial statements.

Company Statement of Changes in Equity

For the year ended 31 December 2018

	Called-up share account	Share premium account	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£	£
At 1 January 2017	**100,000**	**540,000**	**50,000**	**4,621,507**	**5,311,507**
Profit for the year	-	-	-	93,680	93,680
Other comprehensive income	-	-	-	(313)	(313)
Total comprehensive income	-	-	-	93,367	93,367
Dividends paid (interim)	-	-	-	(50,000)	(50,000)
At 31 December 2017	**100,000**	**540,000**	**50,000**	**4,664,874**	**5,354,874**
Profit for the year	-	-	-	796,681	796,681
Other comprehensive income	-	-	-	494	494
Total comprehensive income	-	-	-	797,175	797,175
Dividends paid (interim)	-	-	-	(50,000)	(50,000)
At 31 December 2018	**100,000**	**540,000**	**50,000**	**5,412,049**	**6,102,049**

Reserves

The share premium account represents the amount received for shares over and above the par value.

The capital redemption reserve represents the statutory reserve for share capital redeemed in prior years.

The profit and loss account represents cumulative profits and losses of the Company.

The Company has elected to take the exemption permitted under Section 408 of the Companies Act 2006 not to present the Company's profit and loss. The Company's profit for the year was £796,681 (2017: £93,680).

The notes on pages 14 to 28 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2018

	Note:	2018 £	2017 £
Profit for the financial year:		668,535	106,954
Adjustments for:			
Tax on profit		193,698	58,494
Interest receivable		(6,515)	(5,851)
Interest payable		5	-
Operating profit		855,723	159,597
Depreciation of tangible assets	11	181,910	194,224
Amortisation of intangible assets	12	22,207	23,693
Operating cash flow before movement in working capital		1,059,840	377,514
(Increase) in trade and other debtors	14	(6,158,783)	(1,162,468)
Increase/(decrease) in trade and other creditors		3,571,258	(137,146)
(Decrease) in provision for onerous contracts		(90,000)	(920,000)
Income tax paid		(89,921)	(62,973)
Net cash flows from operating activities		(1,707,606)	(1,905,073)
Investing activities			
Purchase of tangible assets	11	(289,893)	(41,967)
Purchase of intangible assets	12	(34,762)	491
Interest received		6,515	5,851
Net cash flows from investing activities		**(318,140)**	**(35,625)**
Financing activities			
Dividends paid		(50,000)	(100,000)
Interest paid		(5)	-
Net cash flows from financing activities		**(50,005)**	**(100,000)**
Net (decrease) in cash and cash equivalents		**(2,075,751)**	**(1,990,698)**
Effect of exchange rates on cash and cash equivalents		1,882	(299)
Cash and cash equivalents at the beginning of the year		3,736,500	5,727,497
Cash and cash equivalents at end of the year		**1,662,631**	**3,736,500**

The Group's bankers have placed a restriction over £23,970 (2017: £24,410) of the Group's cash assets to support current bank bonds issued on behalf of the Group.

Notes to the Financial Statements

For the year ended 31 December 2018

1 Accounting policies

1.1 General information

Offshore Design Engineering Limited ("the Company") is a limited company incorporated in the United Kingdom. The address of its registered office and principal place of business is St Georges' House, 5 St George's Road, Wimbledon, London, SW19 4DR.

The Company is a parent undertaking and therefore these consolidated financial statements present the financial information of the Company and its subsidiary undertakings ODE North Africa LLC ("ODENA") and ODE Asset Management Ltd ("ODE AM") (together referred to as "the Group"), as well as the Company's individual financial statements.

The principal activity of the Group is to provide engineering and ancillary services to the oil and gas and renewable energy industries.

These consolidated and Company financial statements have been presented in Pound Sterling as this is the Company's functional currency, being the primary economic environment in which the Company operates.

1.2 Basis of preparation

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 applicable legislation, as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These financial statements have been prepared under the historical cost convention.

1.3 Basis of consolidation

The consolidated financial statements incorporate the results of the Company and its subsidiary undertakings, ODENA and ODE AM. The Company has control over ODENA and ODE AM, thereby having the power to govern its financial and operating policies so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. The financial years of ODENA and ODE AM is coterminous with that of the Company.

Details of ODENA and ODE AM are set out in note 13.

1.4 Going concern

The Group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and its exposures to credit, liquidity and interest rate cash flow risk are described in the Strategic Report on pages 2 and 3 and the Directors Report on pages 4 and 5.

The Group has considerable financial resources together with long-term contracts with a number of customers and suppliers. As a consequence, the Directors believe that the group is well placed to manage its business risks successfully.

The Directors confirm that they have complied with these requirements and, having a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, will continue to adopt the going concern basis in preparing the accounts.

1.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts for the provision of engineering and ancillary services in the normal course of business, net of discounts, VAT and other sales-related taxes

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1. **Accounting policies** (continued)

1.5 Revenue recognition (continued)

Revenue is recognised over the period in which the engineering and ancillary services are performed. Where a contract is only partially completed at the reporting date revenue is recognised as the fair value of the service provided to date based on the stage of completion of the contract activity at the reporting date.

1.6 Long-term contracts

When the outcome of a long-term contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date. This is normally measured by the proportion that contract costs incurred for the work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

Where the outcome of a long term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Amounts recoverable on long term contracts are included in debtors. Amounts received in excess of revenue recognised are classified as contract payment received in advance and included in creditors due within one year.

1.7 Taxation

Tax expense for the year comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, and that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of profit or loss, other comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1. **Accounting policies (continued)**

1.8 Foreign currency

Foreign currency transactions are translated into the functional currency of the reporting entity using the exchange rate prevailing at the date the transactions took place.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at the reporting date of monetary assets and liabilities are reported in profit or loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated from Egyptian Pounds (EGP), their functional currency, to Sterling (£) using the closing exchange rate. Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of group companies are recognised in other comprehensive income and are not reclassified to profit or loss.

1.9 Tangible assets

Tangible assets, which comprise leasehold improvements, fixtures and fittings and computer hardware, are initially recognised at cost, being the purchase price plus any directly attributable costs, and are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is charged on a straight line basis to administrative expenses in profit or loss so as to allocate the asset's cost, less its estimated residual value, over its estimated useful life. The useful lives are as follows:

Leasehold improvements	6.7% per annum
Fixtures and fittings	25% per annum
Computer hardware	33.3% and 50% per annum

Tangible assets are tested for impairment where an indication of impairment exists at the reporting date.

1.10 Intangible assets

Intangible assets are initially recognised at cost, being the purchase price plus any directly attributable costs, and are subsequently measured at cost less any accumulated amortisation and impairment losses.

Amortisation is charged on a straight line basis to administrative expenses in profit or loss over the shorter of the useful life of the asset or the contractual or legal rights arising on acquisition. The useful lives are as follows:

Computer software	33.3% per annum

Computer software is recognised separately as an intangible asset if it is not integral to the associated computer hardware.

1.11 Investment in subsidiary undertakings

Investments in subsidiaries are stated at cost less accumulated impairment losses in the individual financial statements. The investment is tested for impairment where an indication of impairment exists at the reporting date.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1 **Accounting policies** (continued)

1.12 Impairment of assets

At each reporting date, the Group reviews the carrying value of its 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.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent year if, and only if, the reasons for the impairment loss have ceased to apply.

1.13 Provisions on onerous contracts

An onerous contract is one where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. When it is probable that total contract costs will exceed total contract revenue on a particular contract, the expected loss is to be recognised as an expense immediately, with a corresponding provision for an onerous contract. The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation, as well as the market conditions, and client expectations and previous experience of dealing with the client.

1.14 Financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. The Group holds basic financial instruments, which comprise cash at bank and in hand, trade and other debtors and trade and other creditors. The Group has chosen to apply the measurement and recognition provisions of Section 11 'Basic Financial Instruments' in full.

Financial assets – classified as basic financial instruments

(i) Trade and other debtors

Trade and other debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Amounts that are receivable within one year are measured at the undiscounted amount of the amount expected to be receivable, net of any impairment.

Where a financial asset constitutes a financing transaction it is initially measured at the present value of the future payments, discounted at a market rate of interest.

At the end of each reporting year, the Group assesses whether there is objective evidence that any financial asset amount may be impaired. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the financial assets. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the provision is recognised immediately in profit or loss.

Financial liabilities – classified as basic financial instruments

(i) Trade and other creditors

Trade and other creditors are initially measured at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Amounts that are payable within one year are measured at the undiscounted amount of the amount expected to be payable.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

1. **Accounting policies** (continued)

1.14 Financial instruments (continued)

Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

1.15 Employee benefits

***(i)* Defined contribution pension scheme**

The Group operates a defined contribution pension scheme.

Obligations for contributions to the defined contribution pension plan are charged to the profit or loss in the year to which the contributions relate.

***(ii)* Short-term benefits**

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. An accrual is recognised for short term compensated absences where entitlement has accumulated, but has not been taken, at the reporting date.

1.16 Operating lease arrangements

Payments made under operating lease arrangements are charged to profit or loss on a straight-line basis over the lease term. Benefits receivable as operating lease incentives are recognised within profit or loss on a straight-line basis over the lease term.

2. **Critical accounting judgements and key sources of estimation uncertainty**

In applying the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

2.1 Critical judgements in applying the Group's accounting policies

The critical judgements that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the Directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

(ii) Assessing the functional currency

The Directors are required to identify the functional currency of the Company and each subsidiary undertaking, which is defined as the primary economic environment in which the entity operates. In making this judgement the Directors have considered factors such as the currency which mainly influences both sales and cost prices, and the countries whose competitive forces and regulations affect those prices. Where the functional currency is not clearly identifiable, the Directors use judgement to determine which currency most faithfully represents the entity's primary economic environment.

(iii) Assessing the recoverability of deferred tax assets

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

2.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Recoverability of receivables

The Group establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the Directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

(ii) Revenue recognition

The Group uses the percentage of completion method to recognise project revenue for fixed price contracts. This method requires the Directors to estimate the level of services performed at each reporting date as a proportion of the total services to be performed to complete the contract. Variations to estimates could result in the over or under recognition of revenue.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

3. Turnover

An analysis of the Group's revenue by class and category of business is as follows:

	2018 £	2017 £
Provision of services	35,723,664	19,269,075
Rental income	297,677	271,955
	36,021,341	19,541,030

An analysis of the Group's revenue by geographical market is as follows:

	2018 £	2017 £
United Kingdom	30,293,047	15,262,276
Other European Countries	1,659,573	1,866,847
Rest of the World	4,068,721	2,411,907
	36,021,341	19,541,030

4. Operating profit

Operating profit is stated after charging / (crediting):

	2018 £	2017 £
Depreciation of tangible assets	181,910	194,224
Amortisation of intangible assets	22,207	23,693
Operating lease expenses	834,446	798,552
Foreign exchange differences	1,758	22,366
Provision for onerous contracts	(90,000)	(920,000)
Auditor's remuneration	68,432	49,324

	2018 £	2017 £
An analysis of the auditor's remuneration is as follows:		
Fees payable to the Company's auditor and its associates for the audit of the Company's and the Group's consolidated financial statements	51,404	43,400
Fees payable to the Company's auditor and its associates for other services to the Company:	3,500	-
The audit of the Company's subsidiary	13,528	5,924
	68,432	49,324

5. Staff costs

	2018 £	2017 £
Staff costs	8,182,482	6,243,425
Social security costs	903,228	771,768
Pension costs	935,289	832,485
Health insurance and other costs	180,745	130,365
	10,201,744	7,978,043

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

5. **Staff Costs** (continued)

The average monthly number of employees (including executive Directors) was:

	2018	2017
Technical and administration	169	145

The key management personnel of the Group are considered to be the executive Directors and executive management.

6. **Directors' remuneration and transactions**

Total remuneration paid to the Directors of the Group:

	2018	2017
	£	£
Emoluments	290,704	208,450
Pension scheme contributions	2,916	8,516
	293,620	**216,966**

Remuneration paid to the highest paid Director of the Group:

	2018	2017
	£	£
Emoluments	290,704	208,450
Pension scheme contributions	2,916	8,516
	293,620	**216,966**

Director's membership of pension scheme

	2018	2017
Money purchase	1	1

The remaining Directors are also Directors of the shareholder and its subsidiaries. The remaining Directors are not remunerated by the Group but by other companies of the shareholder. The Directors do not believe it is practicable to apportion Directors' emoluments between their services as Directors of the Group and their services as Directors of the shareholder and other companies of the shareholder.

7. **Interest receivable and similar income**

	2018	2017
	£	£
Interest receivable	6,515	5,851
	6,515	5,851

8. **Interest payable and similar charges**

	2018	2017
	£	£
Interest payable	5	-
	5	-

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

9. Tax on profit

The tax charge comprises:

	2018	2017
	£	£
Current tax		
UK corporation tax	90,907	47,606
Adjustments in respect of prior years	(11,464)	-
Foreign tax relief/ other relief	(32,714)	(1,925)
Foreign tax suffered	43,192	17,292
Total current tax	**89,921**	**62,973**
Deferred tax		
Origination and reversal of timing differences	110,292	(14,365)
Adjustment in respect of previous periods	546	(9,906)
Effect of change in tax rate	(7,061)	19,792
Total deferred tax	**103,777**	**(4,479)**
Total tax on profit	**193,698**	**58,494**

Tax on profit for the year is higher than the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are reconciled below:

	2018	2017
	£	£
Profit before taxation	862,233	165,448
Tax on profit at standard UK tax rate of 19% (2017: 19.25%)	163,824	31,842
Disallowable expenses and non-taxable income	3,639	7,406
Income not taxable	(2,999)	-
Effects of overseas tax rates	38,859	5,725
Tax gains/ (losses) not previously recognised	9,264	1,842
Tax rate changes	(7,061)	20,317
Impact of overseas losses	2,728	=
Adjustments in respect of prior periods	(14,556)	(8,638)
Total tax expense for the year	193,698	58,494

Factors that may affect future tax charges

The UK corporation tax rate during the year was 19%. Deferred tax balances at the reporting date are measured at 17% (2017: 17%).

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) was announced in July 2015. In March 2016 a further reduction in corporation tax (effective from 1 April 2020) was announced, setting the rate at 17%.

10. Dividends

	2018	2017
	£	£
Interim paid during the year	50,000	50,000
	50,000	50,000

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

11. Tangible assets

Group

	Leasehold Improvements £	Fixtures & Fittings £	Computer Hardware £	Total £
Cost				
At 1 January 2018	694,879	572,398	607,478	1,874,755
Additions	89,082	54,461	146,350	289,893
Disposals	-	-	(7,743)	(7,743)
At 31 December 2018	783,961	626,859	746,085	2,156,905
Depreciation and Impairment				
At 1 January 2018	138,598	493,807	547,513	1,179,918
Depreciation charge	50,250	74,155	57,505	181,910
Disposals	-	-	(7,743)	(7,743)
At 31 December 2018	188,848	567,962	597,275	1,354,085
Carrying value				
At 31 December 2018	595,113	58,897	148,810	802,820
At 31 December 2017	556,281	78,591	59,965	694,837

Company

	Leasehold Improvements £	Fixtures & Fittings £	Computer Hardware £	Total £
Cost				
At 1 January 2018	694,879	553,235	575,737	1,823,851
Additions	89,082	47,358	138,952	275,392
Disposals	-	-	(7,743)	(7,743)
At 31 December 2018	783,961	600,593	706,946	2,091,500
Depreciation and Impairment				
At 1 January 2018	138,599	480,591	520,663	1,139,853
Depreciation charge	50,250	69,781	50,757	170,788
Disposals	-	-	(7,743)	(7,743)
At 31 December 2018	188,849	550,372	563,677	1,302,898
Carrying value				
At 31 December 2018	595,112	50,221	143,269	788,602
At 31 December 2017	556,280	72,644	55,074	683,998

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

12. Intangible assets

Computer Software	Group £	Company £
Cost		
At 1 January 2018	464,631	437,745
Additions	34,762	26,932
Disposals	-	-
At 31 December 2018	499,393	464,677
Amortisation and impairment		
At 1 January 2018	430,529	404,633
Amortisation charge for the year	22,207	16,999
Disposals	-	-
At 31 December 2018	452,736	421,632
Carrying value		
At 31 December 2018	46,657	43,045
At 31 December 2017	34,102	33,112

13. Investment in subsidiary undertaking

Company

Cost and carrying value

	2018 £	2017 £
ODE North Africa LLC ("ODENA")	70,678	9,416
ODE Asset Management Ltd ("ODE AM")	100	-
Total investments	70,778	9,416

The Company has the following investment in subsidiary undertaking:

Name	Country of incorporation	Principal activity	Proportion of capital held
ODENA	Cairo, Egypt	Provide engineering and ancillary services	100%
ODE AM	England and Wales	Provide duty holder and operations and maintenance activities for offshore oil and gas facilities.	100%

ODE Asset Management Ltd was incorporated on 26 April 2018.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

14. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Amounts due within one year				
Trade debtors	5,355,526	2,963,981	4,486,195	2,740,216
Amounts recoverable on long-term service contracts	4,812,995	1,762,339	4,579,860	1,669,341
Amounts owed by related parties	378,841	32,881	378,841	32,881
Amounts owed by subsidiary companies	-	-	749,738	98,546
Other debtors	4,328	1,765	4,328	1,765
Prepayments and accrued income	1,090,660	871,275	988,121	811,127
Corporation tax	340,339	191,665	340,338	191,665
Deferred tax (note 17)	438,290	542,067	438,290	542,067
	12,420,979	6,365,973	11,965,711	6,087,608

15. Creditors: Amounts due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	2,708,660	355,844	2,641,666	338,921
Amounts owed to subsidiary companies	-	-	2,923	23,962
Social security and other taxes	604,177	346,349	413,531	256,939
Accruals and deferred income	4,325,923	3,788,564	4,192,783	3,652,620
VAT payable	547,339	311,725	424,090	311,725
Corporation tax	54,657	8,268	51,554	-
Contracts paid in advance	141,252		60,040	
	8,382,008	4,810,750	7,786,587	4,584,167

16. Provision for liabilities

Group and Company	2018 £	2017 £
Provision for onerous contracts		
At 1 January	550,000	1,470,000
Additions to the provision	-	150,000
Amounts charged against the provision	(70,000)	(420,000)
Release of the provision	(20,000)	(650,000)
At 31 December	460,000	550,000

The Company has recognised the provision for onerous contracts which are ongoing as at the balance sheet date.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

17. Deferred taxation

Group and Company	Tax losses	Research & development expenditure credit	Accelerated capital allowances	Other short term timing differences	Total
	£	£	£	£	£
At 1 January 2018	(198,212)	(372,457)	31,152	(2,550)	(542,067)
Credit to profit or loss	-	-	(15,241)	-	(15,241)
Reversed – debit to profit or loss	90,695	9,797	-	18,526	119,018
As 31 December 2018	(107,517)	(362,660)	15,911	15,976	(438,290)

Net deferred tax (asset)	(438,290)
Comprising of	
Deferred tax (assets)	(454,201)
Deferred tax liabilities	15,911
	(438,290)

Deferred tax asset brought forward:

	2018	2017
	£	£
Deferred tax asset brought forward	(542,067)	(537,588)
Deferred tax charge/ (credit) to income statement for the year	103,231	5,427
Adjustment in respect of prior periods	546	(9,906)
Deferred tax asset carried forward	(438,290)	(542,067)

Deferred tax assets and liabilities are offset only when the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

18. Share capital

	2018	2017
	£	£
Authorised, allotted, called-up and fully paid:		
100,000 ordinary shares of £1 each	100,000	100,000
	100,000	100,000

The Company has one class of ordinary shares; each share carries one voting right per share but no right to fixed income.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

19. Commitments

The Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases as at the reporting date as follows:

	Land and buildings	
	2018	**2017**
	£	**£**
Not later than one year	707,175	704,830
Later than one year and not later than five years	2,513,836	2,553,836
Later than five years	3,634,299	4,257,758
	6,855,310	7,516,424

The Group's bankers have a debenture comprising of fixed and floating charges over all the assets and undertakings of Offshore Design Engineering Limited, which is used to support bank overdrafts and bank guarantees issued from time to time. The Group's bankers have placed a restriction over £23,970 (2017: £24,410) of the Group's cash assets to support current bank bonds issued on behalf of the Group.

Neither the Group nor the Company have entered into any capital commitments at the reporting date (2017: None).

20. *Post-retirement benefits*

The Company operates a defined contribution pension scheme whose assets are held separately from those of the Company in an independently administered scheme. In addition, the Company funds private pension plans for selected staff.

The total pension charge for the period, representing contributions made by the Company to the funds, amounted to £935,289 (2017: £832,485). The contributions payable as at 31 December 2018 are £91,065 (2017: £64,709).

21. Related party transactions

Transactions with Doris Engineering SA (France) and its subsidiary companies are as follows:

	Revenue 2018	**Revenue 2017**	**Costs 2018**	**Costs 2017**
Doris Engineering SA	570,435	271,360	-	44,461
	570,435	271,360	-	44,461

	Debtor 2018	**Debtor 2017**
Doris Engineering SA	393,644	32,881
	393,644	32,881

Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

22. Parent undertaking and ultimate controlling party

The Company's 100% shareholder and ultimate controlling party is Doris Engineering SA (renamed Doris Group SA on 1 January 2019), incorporated in France.

23. Events after the reporting period

Group and Company

There was a restructure of both Doris Engineering SA and ODE Group after the end of the reporting period. Doris Engineering SA was renamed Doris Group SA on 1 January 2019. A new intermediate holding company, ODE Group Ltd, was created in a share for share exchange with Offshore Design Engineering Ltd (ODE) on the 2 January 2019, and ODE's shareholding in ODE Asset Management Ltd was passed up to ODE Group Ltd by way of a dividend in specie.