

Aquatic Engineering & Construction Limited

Annual report and financial statements

Registered number SC123734

31 December 2023

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Contents

Strategic report	1
Directors' report	3
Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements	4
Independent auditor's report to the members of Aquatic Engineering & Construction Limited	5
Profit and Loss Account and Other Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes	11

Strategic report

The directors present the Strategic report for the year ended 31 December 2023.

Principal activities

Aquatic Engineering & Construction Limited ("the Company") is part of the Energy Services division of the Acteon group. Acteon is a global organisation providing a range of products and services for the renewable energy, nearshore construction and oil and gas sectors. Its specialisms range from data collection and survey techniques ahead of construction, the installation of foundations and anchoring technologies, the monitoring, management and decommissioning of assets, installation and management of offshore wind turbines and construction services for marine facilities including bridges, jetties and coastal protection.

Business model

Aquatic Engineering & Construction Limited supplies a range of power reel systems which are developed for flexible pipe and umbilical lay. The Company also possess leading engineering skills in many of the areas in which it operates.

It employs approximately 60 people, most with technical skills, from its base in Aberdeen, UK. The Company works both independently and in partnerships with other Acteon companies to serve industry clients.

Business review and results

Revenue and earnings fell in 2023 despite the market starting to recover from an operationally challenging period where some customer activities were cancelled or postponed as a result of the global Covid-19 pandemic.

Turnover in the year decreased to £9,545,000 (2022: £9,729,000) and even though there continued to be a beneficial impact from overhead cost synergies arising from the more simplified organisation structure introduced by the wider Acteon group during 2022, further pressures on operating margins resulted in the Company recognising a loss after taxation of £673,000 (2022: profit after taxation of £367,000).

A landscape of increased market activity across the energy sector together with stable oil prices has however helped the Company's forward outlook to improve with it entering 2024 with a solid and improved pipeline of work for 2024 delivery.

Key performance indicators

Key performance indicators pertinent to the Company are shown below. This demonstrates the underlying operational performance (gross margin and EBITDA) and the level of continued investment in the Company's underlying revenue generating resources (tangible fixed assets and average number of employees).

	2023 £000	2022 £000
Gross Margin % of revenues	7.2%	14.9%
Earnings before interest, tax, depreciation and amortisation (EBITDA) (£000)*	882	1,305
Net book value of tangible fixed assets (£000)	5,595	6,384
Average number of employees	61	58

* Prior to certain costs totalling £128,000 (2022: £117,000) of a non-operating nature.

Principal risks and uncertainties

The directors have taken steps to ensure that the day-to-day risks which face the Company such as health and safety and commercial risks, are managed comprehensively by insurance covers which should mitigate the impact of risks turning into reality, and by the preparation and review of comprehensive monthly management financial reporting packages which can alert the board where appropriate to developments in trading performance and cash management. Continual communication with its parent undertaking is also maintained throughout the year.

Strategic Report *(continued)*

Principal risks and uncertainties *(continued)*

Any business operates against a background of risks and uncertainties. The directors believe that the principal risks facing the Company are:

- A further reduction in the current activity levels in the offshore oil and gas exploration and production industry worldwide as a result of various factors including, but not limited to, a fall in oil prices and the broader energy transition;
- Lead times and availability of raw materials and components which are required in order for the Company to provide its products and services could deteriorate from their current levels;
- It could become more difficult to recruit and retain the highly qualified and experienced staff required in order to operate;
- The considerable health and safety risks which are inherent to a business providing products and services for the renewable, nearshore construction and oil and gas sectors;
- Contracts and projects are frequently complex, and there are risks associated with their execution;
- A tightening in the debt, bonding and credit facilities markets; and
- Increased cyber threats to business operations and data security.

Future developments and going concern

The political unrest caused by the current conflicts in Ukraine and Middle East continues to create short- to medium-term uncertainties to businesses worldwide. This creates a risk that current and prospective clients may delay the timing of their investment programmes which, in turn, might adversely impact the Company's operations across that time horizon. Risk may also still exist in the Company's ability to execute certain projects, depending on their nature and location.

In response, during the past twelve months the Company (and the wider Acteon group) has continued to undertake appropriate actions to optimise its trading performance and to protect its margins, profitability and cash flow. It has sought to retain its key capabilities and skills so that it may take advantage of, and capitalise on, opportunities, with customer demand continuing to escalate in 2023 and which is expected to continue into 2024 and beyond.

Since the year-end the Acteon group in which the Company is a subsidiary has been sold and is now operating under new ownership (see note 26). As part of this ownership change, the group has a growth and development plan in place which includes the divestment of a number of subsidiaries, including this Company.

At the date of signing these financial statements, that process is well advanced, and a successful sale is expected within the foreseeable future. Although there is no reason to believe that the new owners would not continue the trade of this Company in its current legal form, there can be no certainty of the intentions of any new owner due to the current status of the divestment process. There therefore exists a material uncertainty that may cast doubt on the Company's ability to continue as a going concern. The financial statements do not contain any adjustments that would arise from the basis of preparation as a going concern being inappropriate.

By order of the board



B M Bouffard
Director

2 Marischal Square
Broad Street
Aberdeen
AB10 1DQ
5 September 2024

Directors' report

The directors present their report for the year ended 31 December 2023.

Directors

The directors who held office during the year and up to the date of this report are as follows:

B M Bouffard (appointed 30 May 2024)

D A Guez (appointed 30 May 2024)

Dr B Bruggaier (resigned 30 May 2024)

The directors benefited from qualifying third party indemnity provisions which were in place during the financial year and at the date of this report. These took the form of Directors and Officers liability insurance.

Proposed dividend

The directors do not recommend the payment of a dividend (2022: £nil).

Financial instruments

The Company sells to most of its clients on customary credit terms and is, as a result, exposed to the usual credit risk and cash flow risk associated with this form of trading. It manages this risk through its credit control procedures. The existence of these trade credit facilities does not expose the Company to price risk or liquidity risk.

The Company does not currently deploy interest rate or currency hedging since these risks are dealt with by, and at the level of, its parent company.

Disclosure of information to auditor.

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and the directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the board



B M Bouffard
Director

2 Marischal Square
Broad Street
Aberdeen
AB10 1DQ
5 September 2024

Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Aquatic Engineering & Construction Limited

Opinion

We have audited the financial statements of Aquatic Engineering & Construction Limited ("the Company") for the year ended 31 December 2023 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. **Material uncertainty related to going concern**

We draw attention to note 1.2 to the financial statements which indicates that the Company is subject to a sales process to a third-party. This event and condition, along with the other matters explained in note 1.2, constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Going concern basis of preparation

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Our conclusion based on our financial statements audit work: we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's and Acteon Group Limited group's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the director has knowledge of any actual, suspected or alleged fraud.
- Reading board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Independent auditor's report to the members of Aquatic Engineering & Construction Limited *(continued)*

Fraud and breaches of laws and regulations – ability to detect *(continued)*

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue recognised over time is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries. We did not identify any additional fraud risks.

We performed procedures including:

- Agreeing a sample of revenue transactions around the year-end to evidence of services performed in the correct period.
- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included; revenue and cash journals posted to unrelated accounts; and journals with certain descriptions, which may indicate high risk.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment and anti-bribery legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and Directors' report

The directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Independent auditor's report to the members of Aquatic Engineering & Construction Limited *(continued)*

Strategic report and Director's report *(continued)*

Based solely on that work:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in his statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company'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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Paula Holland (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Marischal Square
Broad Street
Aberdeen
AB10 1DD

5 September 2024

Profit and Loss Account and Other Comprehensive Income
for year ended 31 December 2023

	<i>Note</i>	2023 £000	2022 £000
Turnover	2	9,545	9,729
Cost of sales		(8,857)	(8,282)
Gross profit		688	1,447
Administrative expenses		(1,288)	(1,643)
Operating loss	3-5	(600)	(196)
Interest receivable and similar income	6	4	250
Interest payable and similar expenses	7	(324)	(139)
Loss before taxation		(920)	(85)
Tax credit on loss	8	247	452
(Loss)/profit for the financial year		(673)	367
Other comprehensive income		-	-
Total comprehensive (expense)/income for the year		(673)	367

All results relate to continuing activities.

Balance sheet
at 31 December 2023

	<i>Note</i>	2023	2022
		£000	£000
Fixed assets			
Intangible assets	9	120	139
Tangible assets	10	5,595	6,384
Right-of-use assets	11	77	186
Investments	12	-	-
		5,792	6,709
Current assets			
Stocks	13	225	211
Contract costs	14	81	-
Debtors	15	3,212	2,660
Cash at bank and in hand		94	257
		3,612	3,128
Creditors: amounts falling due within one year	16	(5,409)	(5,119)
Net current liabilities		(1,797)	(1,991)
Total assets less current liabilities		3,995	4,718
Creditors: amounts falling due after more than one year	17	(18)	(68)
Net assets		3,977	4,650
Capital and reserves			
Called up share capital	21	152	152
Share premium account		3	3
Capital redemption reserve		210	210
Profit and loss account		3,612	4,285
Shareholder's funds		3,977	4,650

These financial statements were approved by the board of directors on 5 September 2024 and was signed on its behalf by:



B M Bouffard
Director

Statement of Changes in Equity

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2022	152	3	210	3,918	4,283
Total comprehensive income for the year					
Profit for the year	-	-	-	367	367
Balance at 31 December 2022	152	3	210	4,285	4,650

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2023	152	3	210	4,285	4,650
Total comprehensive expense for the year					
Loss for the year	-	-	-	(673)	(673)
Balance at 31 December 2023	152	3	210	3,612	3,977

Notes

(forming part of the financial statements)

1 Accounting policies

Aquatic Engineering & Construction Limited (the "Company") is a company incorporated and domiciled in the UK. The registered number is SC123734 and the registered address is 2 Marischal Square, Broad Street, Aberdeen, AB10 1DQ.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("*FRS101*").

These financial statements are presented in Sterling, which is the Company's functional currency. All financial information presented has been rounded to the nearest £1,000.

In preparing these financial statements, the Company has applied the recognition, measurement and disclosure requirements of UK-adopted International Accounting Standards ("*Adopted IFRS*") and applicable laws. The Company has also taken advantage of the available FRS 101 disclosure exemptions in relation to the following:

- A Cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- Certain disclosures in respect of leases;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

The Company's parent undertaking at the year-end, Acteon Group Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Acteon Group Limited are prepared in accordance with Adopted IFRS and are available to the public and may be obtained from Companies House, Cardiff, CF14 3UZ.

The consolidated financial statements of Acteon Group Limited include the disclosures required by IAS 36 *Impairment of assets*, and IFRS 7 *Financial Instruments: Disclosures* and IFRS 13 *Fair Value Measurements* both relating to financial instruments. As a consequence, the Company has taken the exemption under FRS 101 not to include the equivalent disclosures in respect of financial instruments, apart from those which are relevant for financial instruments held at fair value and are not either held as part of a trading portfolio or derivatives.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgments made by the director in the application of these accounting policies that have a significant effect on these financial statements, or in relation to estimates with a significant risk of material adjustment in the next year, relate to considerations over the impairment of investments, fixed assets, and material inter-company debtors balances. There were no impairments made in the current year.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The Company's business activities and financial position, together with the factors likely to affect its future development, performance and financial position are set out in the Strategic Report. These financial statements have been prepared on a going concern basis notwithstanding net current liabilities of £1,797,000 at 31 December 2023.

The political unrest caused by the current conflicts in Ukraine and Middle East continues to create uncertainties for businesses worldwide, leading to the risk that current and prospective clients may delay the timing of their investment programmes which, in turn, might adversely impact the Company's overall operations across that time horizon.

Notes (continued)

1 Accounting policies (continued)

1.2 Going concern (continued)

In response, during the past twelve months, the Company, along with the wider Acteon group, has continued to undertake appropriate actions to optimise trading performance, protect margins, overall profitability and cash flow whilst seeking to retain key capabilities and skills so they can take advantage and capitalise on opportunities, with customer demand continuing to escalate in 2023 and which is expected to continue into 2024 and beyond.

The directors have prepared cash flow forecasts for the Company for a period of twelve months from the date of approval of these financial statements which, taking account of significant but plausible risks to the current trading environment, indicates the Company will have sufficient cash to meet its liabilities as they fall due during that period. Significant but plausible downside scenarios include lower sales in addition to those already factored into the base forecast. These have been partly offset by overhead cost savings.

Since the year-end, following a change in ownership and group re-organisation, the Company is now owned by a new UK parent entity, Project Santis DeltaCo Limited. As part of this ownership change, the group has a growth and development plan in place which includes the divestment of a number of subsidiaries, including this Company. At the date of signing these financial statements, that process is well advanced, and a successful sale is expected within the foreseeable future. Although there is no reason to believe that the new owners would not continue the trade of this Company in its current legal form, there can be no certainty of the intentions of any new owner due to the current status of the divestment process. There therefore exists a material uncertainty that may cast doubt on the Company's ability to continue as a going concern.

Based on their forecasts and evaluation thereof, the directors believe that it is appropriate to prepare the Company's financial statements on a going concern basis and is confident the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements.

The financial statements do not contain any adjustments that would arise from the basis of preparation as a going concern being inappropriate

1.3 Intangible fixed assets

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense when incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete the development, future economic benefits are probable, and the Company can measure reliably the expenditure attributable to the intangible asset during development. Development activities involve a plan or design for the production of a new or substantially improved product or process. The expenditure capitalised includes the cost of material, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses. These costs are amortised over their estimated useful life of 15 years.

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use specific software. These costs are amortised over their estimated useful life, which is typically 3-5 years.

Notes (continued)

1 Accounting policies (continued)

1.4 Exceptional items

Exceptional items are those significant items which in the directors' judgement are highlighted by virtue of their size or incidence to enable a full understanding of the Company's financial performance; such items are reflected separately within the income statement under the caption to which they relate. Transactions which may give rise to material exceptional items include gains and losses on disposals, impairments of assets or investments, restructuring costs or provisions, litigation settlements, tax provisions, provisions for onerous contracts and acquisition and divestment costs.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

When an element of a tangible fixed asset item has a different useful life, it is accounted for as a separate tangible fixed asset item.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed asset. The estimated useful lives are as follows:

Plant and equipment	3-15 years straight line
Fixtures and Fittings	5 years straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Depreciation is provided on assets in the course of construction from the date they are brought into use.

1.6 Non-derivative financial instruments

Non-derivative financial instruments comprise investments, trade and other debtors, contract assets, cash and borrowings, lease liabilities and trade and other creditors.

Investments

Investments in subsidiaries are carried at cost less impairment.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any provision for expected credit losses.

The Company has applied the simplified approach to measuring the expected credit loss which uses a lifetime expected loss allowance. To measure the expected credit loss, trade debtors have been grouped together based on the number of days they are overdue.

Contract assets

Contract assets are recognised when the Company has satisfied its contractual performance obligations and has either not recognised a trade debtor to reflect its unconditional right to the corresponding consideration or where that consideration is not yet due. Contract assets are treated as financial assets for impairment purposes and therefore subject to impairment reviews on the same basis as trade and other debtors.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Notes (continued)

1 Accounting policies (continued)

1.8 Contract costs

Contract costs represent incremental costs of obtaining a contract and the costs incurred to fulfil it.

Costs of obtaining a contract

Incremental costs of obtaining a contract with a customer are capitalised when it is expected that those costs are recoverable. The costs are subsequently amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that are incurred regardless of whether or not the contract is obtained, or costs which are not otherwise recoverable from the customer, are expensed immediately in the profit and loss account. Incremental costs of obtaining a contract where the contract term is less than one year are also immediately expensed to the profit and loss account.

Costs to fulfil customer contracts

Customer contract fulfilment costs are capitalised when all of the following are met:

- The costs relate directly to the contract.
- The costs generate or enhance resources that will be used to satisfy the contract's future performance obligations.
- The costs are expected to be recovered.

Capitalised customer contract fulfilment costs are charged to the profit and loss account in line with the fulfilment of the specific performance obligation to which they relate.

1.9 Contract liabilities

Contract liabilities are recognised when a customer pays consideration or when the Company recognises a trade debtor to reflect its unconditional right to consideration (whichever is earlier), prior to the Company transferring the goods to, or performing the services for, that customer. The liability represents the Company's responsibility to fulfil the contractual performance obligations for which it has already been paid.

1.10 Classification of financial instruments issued by the company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.11 Turnover

Turnover is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company:

- Identifies the contract with the customer.
- Identifies the separable performance obligations in the contract.
- Determines the overall transaction (contract) price, allowing for estimates of variable consideration and the time value of money.
- Allocates the transaction price across the separable performance obligations on a pro-rata basis relative to the stand-alone selling prices of each distinct good or service to be delivered, applying any overall discounts across the entire contract (or to specific performance obligations if more appropriate).
- Recognise turnover when, or as, each performance obligation is satisfied in a manner that reflects the transfer of control of the goods or services promised to the customer.

Notes (continued)

1 Accounting policies (continued)

1.11 Turnover (continued)

Where variable consideration exists within the transaction price, it reflects any concessions provided to the customer such as discounts, rebates and refunds and other contingent events. Estimates of variable consideration are determined using the expected value method and are only recognised when their impacts on the transaction price are highly probable. If any uncertainty exists with respect to a potential refund of the variable consideration received this consideration is recognised as deferred income until the uncertainty is resolved.

Sale of goods

How turnover is recognised from performance obligations for the sale of goods depends on whether or not those goods are customer-specific in nature. Where goods are customer-specific (for example, they are designed or manufactured for a particular project), there is no readily available alternative use for those goods and the Company has an enforceable right to payment for performance completed to date, turnover is recognised over time in accordance with the contract's progression (assessed on a cost input method) up to the point of delivery. Turnover in respect of the sale of non-customer-specific goods is recognised at the point in time when the customer obtains control of those goods, typically at the point of delivery.

Rendering of services

The Company recognises turnover for service performance obligations over time as those services are fulfilled. Turnover is based either on a fixed price or on an hourly/day rate. Where a fixed price is used the Company assesses the stage of fulfilment based on a cost input method. Where the rendering of services includes rental income which is not considered to be lease income, the rental income element is recognised on a straight-line basis over the contract period in accordance with quoted day rates. Where the contract for rental income meets the definition of a lease, turnover is also recognised on a straight-line basis over the contract period but is disclosed separately from turnover from contracts with customers.

Mobilisation and demobilisation services

Where contracts contain specific mobilisation and demobilisation services the Company evaluates whether these are separate performance obligations within the contract. Where these services are deemed to be separate performance obligations the corresponding turnover is accounted for separately and recognised at a point in time, normally when each service is fully completed. In other cases the associated turnover is considered to be an integral part of the contract and recognised in accordance with the performance of the contract as a whole.

Contracts with a significant financing component

Where contracts contain a significant financing component and where the customer pays more than twelve months in advance of receiving the goods or services, the time-value of money is incorporated into the transaction price and an implicit interest expense is subsequently recorded within interest payable at the rate embedded within the contract. This treatment recognises the effective borrowing period by the Company for any such advance receipts up to the point at which the performance obligation is fulfilled and the turnover recognised.

Where contracts have a significant financing component but the financing period is less than twelve months, the Company has elected to use the practical expedient permitted by paragraph 63 of IFRS 15 and not adjust the transaction price for this financing element.

1.12 Interest receivable and interest payable

Interest payable and similar expenses include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Notes (continued)

1 Accounting policies (continued)

1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.14 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account on a net basis.

1.15 Impairment

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss.

1.16 Defined contribution

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.17 Intra group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Notes (continued)

1 Accounting policies (continued)

1.18 Leasing

Following the adoption of IFRS 16 Leases from 1 January 2019 (the transition date) the Company recognises a right-of-use asset and a corresponding lease liability at the lease commencement date.

(i) Right-of-use assets

A right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any:

- lease payments made at or before the commencement date (or transition date if earlier);
- initial direct costs incurred;
- estimate of costs to dismantle, remove or restore the underlying asset or the site to which it is located; and
- lease incentives received.

A right-of-use asset is subsequently depreciated using the straight-line method from the commencement (or transition) date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those for property, plant and equipment. A right-of-use asset's value may be reduced where an impairment is necessary and may also be adjusted where a remeasurement of the lease liability is appropriate.

The Company reports its right-of-use assets separately in the balance sheet.

(ii) Lease liabilities

A lease liability is initially measured at the present value of future lease payments on the commencement date (or transition date if earlier) having been discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate of the Company, taking into account the risk profile of the asset and its location. Typically the Company uses the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability will comprise one or more of the following:

- fixed payments;
- variable lease payments that are dependent on an index or a rate, initially measured using the index or the rate at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- lease payments with an optional renewal period where the Company is reasonably certain it will exercise its option to renew; and
- penalties for early termination of the lease unless the Company is reasonably certain it will allow its lease to run its committed term.

The lease liability is measured at amortised cost using the effective interest method. Lease liabilities are remeasured when there is a change in the expected future lease payments arising from a change in the adopted index or rate, or if the Company changes its assessment of whether either extension or termination options will be exercised.

When the lease liability is remeasured in this way a corresponding adjustment is made to the carrying value of the right-of-use asset, or it is recorded in the profit and loss account if the carrying amount of the right-of-use asset has been reduced to zero.

The Company reports its lease liabilities within creditors in the balance sheet and disclosed separately within the corresponding note.

(iii) Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense in the profit and loss account on a straight-line basis over the lease term.

Notes (continued)

2 Turnover

The following tables disaggregate the Company's turnover by its nature, geographical markets and timing of recognition.

	2023 £000	2022 £000
Nature of turnover		
Rendering of services	9,545	9,729
Geographical markets		
Europe	2,330	4,557
Africa	475	406
North America	2,481	596
South America	478	1,604
Asia and Asia Pacific	3,314	1,940
Middle East/Caspian	467	626
	9,545	9,729
Timing of turnover recognition		
Products and services recognised over time	9,545	9,729

Where the Company rents equipment to customers without the provision of other associated services, the equipment rental contract with the customer may meet the definition of a lease and be outside of the scope of IFRS 15 *Revenue from Contracts with Customers*. Such turnover (to the extent the lease definition is met) has not been presented separately from the Company's IFRS 15 turnover disclosures on the basis that a combined disclosure reflects a more consistent and relevant presentation of the Company's principal trading activities with its customers.

3 Expenses and auditor's remuneration

Included in operating loss are the following:

	2023 £000	2022 £000
Depreciation and other amounts written off tangible fixed assets – Owned	1,201	1,240
Depreciation charged on right-of-use fixed assets	134	127
Amortisation of intangible assets	19	17
<i>Auditor's remuneration:</i>		
Audit of these financial statements	70	65

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Acteon Group Limited.

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2023	2022
Directors	1	1
Technical and administration	60	57
	<u>61</u>	<u>58</u>

The aggregate payroll costs of these persons were as follows:

	2023	2022
	£000	£000
Wages and salaries	3,795	3,389
Social security costs	425	426
Contribution to defined contribution plans (note 22)	149	131
	<u>4,369</u>	<u>3,946</u>

5 Director's remuneration

No emoluments were paid to the director for qualifying services to the company in the current or prior year. The director also holds office in other group undertakings. Emoluments paid to the director for services to other group companies is disclosed within those financial statements.

6 Interest receivable and similar income

	2023	2022
	£000	£000
Bank interest receivable	4	-
Exchange gains	-	250
	<u>4</u>	<u>250</u>
Total interest receivable and similar income	<u>4</u>	<u>250</u>

7 Interest payable and similar expenses

	2023	2022
	£000	£000
Interest payable on bank borrowings	15	40
Interest payable to group companies	187	90
Net foreign exchange losses	113	-
Interest on lease liabilities under IFRS 16	5	9
Other interest payable	4	-
	<u>324</u>	<u>139</u>
Total interest payable and similar expenses	<u>324</u>	<u>139</u>

Notes (continued)

8 Taxation

Recognised in the profit and loss account

	2023	2022
	£000	£000
<i>UK corporation tax</i>		
Current tax on expense for the year	(61)	193
Adjustments in respect of prior years	(116)	(5)
	(177)	188
<i>Foreign tax</i>		
Current tax on income for the year	76	145
	76	145
Total current tax	(101)	333
<i>Deferred tax (note 20)</i>		
Origination and reversal of temporary differences	(161)	(324)
Adjustments in respect of prior years	15	(461)
Total deferred tax	(146)	(785)
Tax credit on loss	(247)	(452)

Reconciliation of effective tax rate

	2023	2022
	£000	£000
(Loss)/profit for the year	(673)	367
Total tax credit	(247)	(452)
Loss excluding taxation	(920)	(85)
Tax using the UK corporation tax rate of 23.5%* (2022: 19%)	(216)	(16)
Non-deductible transactions	12	(87)
Foreign taxation	58	117
Adjustments in respect of prior years	(101)	(466)
Tax credit on loss	(247)	(452)

* The effective rate is a weighted average of the applicable corporation tax rates during the year. The 19% tax rate was increased to 25% from 1 April 2023.

Factors affecting the future tax charge

In the 15 March 2022 Budget it was confirmed that the UK corporation tax rate will increase from 19% to 25% from 1 April 2023. The UK deferred tax balance as at 31 December 2022 and 31 December 2023 has therefore been measured using a rate of 25%.

Notes (continued)

9 Intangible assets

	Development costs £000	Software £000	Total £000
<i>Cost</i>			
Balance at 1 January 2023	209	182	391
Disposals	-	(115)	(115)
At 31 December 2023	209	67	276
<i>Amortisation and impairment</i>			
Balance at 1 January 2023	81	171	252
Amortisation for the year	15	4	19
Disposals	-	(115)	(115)
Balance at 31 December 2023	96	60	156
<i>Net book value</i>			
At 1 January 2023	128	11	139
At 31 December 2023	113	7	120

The amortisation charge of £19,000 (2022: £17,000) is recognised within administrative expenses in profit and loss account.

10 Tangible fixed assets

	Plant and equipment, fixtures & fittings £000	Total £000
<i>Cost</i>		
Balance at 1 January 2023	26,063	26,063
Additions	648	648
Disposals	(4,712)	(4,712)
Balance at 31 December 2023	21,999	21,999
<i>Depreciation and impairment</i>		
Balance at 1 January 2023	19,679	19,679
Depreciation charge for the year	1,201	1,201
Disposals	(4,476)	(4,476)
Balance at 31 December 2023	16,404	16,404
<i>Net book value</i>		
At 1 January 2023	6,384	6,384
At 31 December 2023	5,595	5,595

Notes (continued)

11 Right-of-use assets

	Short leasehold land and buildings £000	Plant, equipment and fixtures and fittings £000	Total £000
Cost or deemed cost			
Balance at 1 January 2023	466	161	627
Additions	-	25	25
Disposals	-	(25)	(25)
Balance at 31 December 2023	466	161	627
Depreciation and impairment			
Balance at 1 January 2023	345	96	441
Depreciation for the year	95	39	134
Disposal	-	(25)	(25)
Balance at 31 December 2023	440	110	550
Carrying amounts			
At 1 January 2023	121	65	186
At 31 December 2023	26	51	77

12 Fixed asset investments

	Shares in group undertakings £000
Cost	
At beginning and end of year	206
Impairment	
At beginning and end of year	206
Net book value	
At 1 January 2023	-
At 31 December 2023	-

The Company has the following investments in subsidiaries:

	Class of Shares held	Registered Address	Ownership 2023	Ownership 2022
Aquatic Asia Pacific Pte Ltd	Ordinary share capital	8 Cross Street #21-05 Manulife Tower, Singapore 048424	100%	100%

The Company's investment has previously been, and continues to be, fully impaired as it is considered, following a review of its underlying net asset value and current future trading prospects (based on value-in-use calculations), not to have any value.

Notes (continued)

13 Stocks

	2023 £000	2022 £000
Finished goods	225	211
	<u>225</u>	<u>211</u>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £5,000 (2022: £584,000).

14 Contract costs

	2023 £000	2022 £000
Costs to fulfil a contract	81	-
	<u>81</u>	<u>-</u>

The charge in the year to cost of sales relating to contract costs totalled £nil (2022: £nil).

15 Debtors

	2023 £000	2022 £000
Trade debtors	1,301	745
Contract assets (note 18)	234	28
Amounts owed by group undertakings	485	945
Other debtors	112	46
Prepayments	183	145
Deferred tax asset (note 20)	897	751
	<u>3,212</u>	<u>2,660</u>

The amounts owed by group undertakings are non-interest bearing and payable on demand.

16 Creditors: amounts falling due within one year

	2023 £000	2022 £000
Lease liabilities (note 19)	63	114
Trade creditors	241	272
Contract liabilities (note 18)	406	1,044
Amounts owed to group undertakings	3,534	2,767
Taxation and social security	543	227
Accruals	622	695
	<u>5,409</u>	<u>5,119</u>

The amounts owed to group undertakings are repayable on demand. An element is interest bearing.

Notes (continued)

17 Creditors: amounts falling due after more than one year

	2023 £000	2022 £000
Lease liabilities (note 19)	18	68

18 Contract balances and unsatisfied performance obligations

(a) Contract balances

	2023 £000	2022 £000
Receivables (Trade debtors) which are included in Debtors (note 15)	1,301	745
Contract assets	234	28
Contract liabilities	(406)	(1,044)

In some contracts the Company receives payments from customers based on explicit billing schedules. Contract assets primarily relate to the Company's conditional right to consideration for completed performance obligations under those contracts. These are transferred to receivables (trade debtors) once this right has become unconditional (typically on invoicing). Contract liabilities relate to payments received in advance of performing the obligations under a contract and exist where significant costs are expected to be incurred prior to the fulfilment of a performance obligation where turnover is to be recognised at a later point in time.

The changes in contract assets and contract liabilities during the year were as follows:

Contract assets

	2023 £000	2022 £000
Balance at 1 January	28	183
Brought forward balance transferred to trade debtors	(28)	(183)
Conditional right to consideration at the year-end (accrued income)	234	28
Balance at 31 December	234	28

Contract liabilities

	2023 £000	2022 £000
Balance at 1 January	1,044	325
Amounts transferred to revenue	(1,044)	(325)
Payments received in advance of recognising revenue	406	1,044
Balance at 31 December	406	1,044

(b) Unsatisfied performance obligations

The aggregate amount of the transaction price (contracted turnover value) allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at 31 December 2023 totals £5,207,000 (2022: £2,500,000). The Company expects these to be satisfied in 2024 (2022: 2023).

Notes (continued)

19 Lease liabilities

The maturity of lease liabilities at the balance sheet date are as follows:

	2023 £000	2022 £000
Within one year	63	114
Between one and two years	18	55
Between two and five years	-	13
	<u>81</u>	<u>182</u>

The majority of the Company's leases relate to land and buildings for office space, warehouse and yard facilities. Its main property lease expires in 2024 and rental charges are fixed over the lease term.

20 Deferred tax assets and liabilities

	Assets 2023 £000	2022 £000
Tangible fixed assets	891	730
Other	6	21
	<u>897</u>	<u>751</u>

Movement in deferred tax during the year

	1 January 2023 £000	Recognised in income £000	31 December 2023 £000
Tangible fixed assets	730	161	891
Other	21	(15)	6
	<u>751</u>	<u>146</u>	<u>897</u>

Movement in deferred tax during the prior year

	1 January 2022 £000	Recognised in income £000	31 December 2022 £000
Tangible fixed assets	(55)	785	730
Other	21	-	21
	<u>(34)</u>	<u>785</u>	<u>751</u>

Notes (continued)

21 Capital and reserves

Share capital

	2023 £000	2022 £000
<i>Allotted, called up and fully paid</i>		
106,500 (2022: 106,500) Ordinary shares of £1 each	107	107
45,000 (2022: 45,000) "A" Ordinary shares of £1 each	45	45
	<u>152</u>	<u>152</u>

The specific rights attaching to the 'A' ordinary shares are as follows:

The 'A' ordinary shares are entitled to a participating dividend based on adjusted profit on ordinary activities before taxation and amounts payable to ordinary shareholders.

The 'A' ordinary shares may be converted to a like number of ordinary shares at any time.

The holders of these shares are entitled to attend and vote at general meetings and are entitled to the same voting rights as the ordinary shareholders.

The 'A' ordinary shareholders would rank before the ordinary shareholders on a winding up of the Company. In such circumstances they are entitled to the subscription price paid for the shares plus all dividend arrears. Any capital surplus remaining after distribution to ordinary shareholders is payable to both 'A' ordinary and ordinary classes of shares as if all shares were of the same class.

Share premium

Share premium represents the excess of the proceeds received from the issue of shares over the nominal value of those shares.

Capital and redemption reserve

The capital redemption reserve arose on the repurchase of own shares by the Company.

Profit and loss account

Profit and loss account comprises cumulative undistributed earnings of the Company.

22 Defined contribution plans

The Company operates a defined contribution pension plan. The total expense relating to this plan in the current year was £149,000 (2022: £131,000).

23 Contingencies

As set out in note 1, the Company has a cross guarantee with other group companies in respect of group borrowings.

24 Related parties

During the year, the Company traded with certain related parties in the ordinary course of business as follows:

Related party	Relationship	Transactions	2023 £000	2022 £000
UTEC NCS Survey Limited	Common control	Sales	<u>15</u>	<u>26</u>

Notes (continued)

24 Related parties (continued)

The amounts owed to related parties at the balance sheet date were as follows:

Related party	Relationship	Balances	2023 £000	2022 £000
Deepwater Manufacturing (USA) Inc	Common control	Creditor	1	-
UTEC NCS Survey Limited	Common control	Debtor	2	2

25 Parent and ultimate controlling party

At the year-end the Company was a subsidiary undertaking of Acteon Group Limited, a company incorporated in the United Kingdom with its registered office at Ferryside, Ferry Road, Norwich, Norfolk, NR1 1SW.

The largest and smallest group in which the results of the Company are consolidated was that headed by Acteon Group Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Cardiff, CF14 3UZ.

The Company's ultimate parent undertaking was KKR Matterhorn Holdco Limited, a company incorporated in Jersey, and the ultimate controlling party was KKR & Co Inc, a company listed on the New York Stock Exchange.

The registered office address of KKR Matterhorn Holdco Limited is 47 Esplanade, St Helier, Jersey, JE1 0BD.

KKR & Co Inc's registered office address is c/o Maples Fiduciary Services (Delaware) Inc., 4001 Kennett Pike, Suite 302, County of New Castle, Wilmington, Delaware 19807, USA.

26 Subsequent events

Since the year-end Acteon Group Limited has been sold and now under new ownership, and as part of that acquisition, certain changes have been implemented with respect to the overall group structure including the establishment of a new overall UK parent entity and the introduction of new intermediary holding companies. The existing subsidiaries have been repositioned within that new structure under these new intermediary holding companies.

The Company as part of this restructure has also issued further share capital in 2024 of 3,805,995 Ordinary shares for cash at par value.

The Company's immediate parent undertaking following this post year-end restructure is now Project Santis DeltaCo Limited, a company incorporated in the United Kingdom, its ultimate parent undertaking is Project Santis Topco Limited, a company incorporated in Jersey and the ultimate controlling party is OEP VIII GP, LLC, a company incorporated in the USA.

Their registered office addresses are:

Project Santis DeltaCo Limited: Ferryside, Ferry Road, Norwich, Norfolk, England, NR1 1SW.

Project Santis Topco Limited: 22 Grenville Street, St Helier, Jersey, JE4 8PX.

OEP VIII GP, LLC: The Corporation Trust Company, Corporation Trust Center, 1209 Orange St, Wilmington, New Castle, Delaware, 19801, USA.