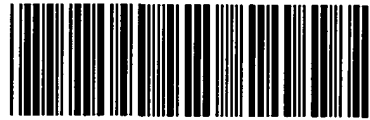


Company registration number SC123734 (Scotland)

**AQUATIC ENGINEERING & CONSTRUCTION
LIMITED**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2024**

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COMPANIES HOUSE

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

COMPANY INFORMATION

Directors	D E Acton J P Gregg D J Slattery
Company number	SC123734
Registered office	Cairnton Road Boyndie Banff Aberdeenshire Scotland AB45 2LR
Auditor	RSM UK Audit LLP Chartered Accountants 4th Floor The Capitol 431 Union Street Aberdeen AB11 6DA United Kingdom

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

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AQUATIC ENGINEERING & CONSTRUCTION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present the strategic report for the year ended 31 December 2024.

Fair review of the business

The directors review the business of the company on a regular basis and have taken such steps as they consider appropriate to match market requirements.

Revenue has increased by 21% during the year as the market recovers from an operationally challenging period where some customer activities were cancelled or postponed as a result of the global Covid-19 pandemic.

EBITDA for the year was £1.4m (2023: £0.8m). EBITDA comprises the operating profit of £0.2m (2023: loss of £0.6m) and adding back depreciation and amortisation of £1.2m (2023: £1.4m).

The company has increased EBITDA by 75% in FY24 and the directors are satisfied with the results. They consider that the company is well placed to continue to benefit from growth in the offshore renewables sector as well as conventional energy markets. Although satisfied with the performance the directors are not complacent.

Key performance indicators

	Year ended 31/12/24	Year ended 31/12/23
	£m	£m
Turnover	11.5	9.5
Capex investment	6.0	5.6
EBITDA	1.4	0.8

Principal risks and uncertainties

The directors are satisfied that appropriate risk management procedures are in place. The risks faced by the company include the uncertainty of the future price of hydrocarbons. A sustained, weak oil price and decreased work also leads to greater competition between, and reduced margins for, all companies in the market. The directors monitor such risks but cannot influence conditions in the market overall. Continuing to diversify into the offshore wind sector and other non-oil and gas marine opportunities provides a mitigation.

The concentration on the North Sea geographical area is a risk, in that it is a competitive market and mature oil and gas basin. However, this is mitigated by the company's established bases in the Asia Pacific and Gulf of Mexico, long term rental contracts in Brazil as well as a track record of supplying equipment and services to the major global offshore oil and gas regions. Increasing offshore wind activity also reduces the risk associated with the North sea oil and gas economics.

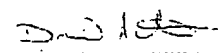
The product range of the group is focused on the marine industry, but this risk is mitigated by continual improvement of product and expansion of product range and services.

Development and performance

Internally, the process of managing risk is addressed through a framework of policies and procedures and internal controls. All policies and procedures are subject to an ongoing review by management and subject to independent ISO certification. Compliance with regulation, health and safety, legal and ethical standards is a high priority for the directors.

The company reports quarterly on ESG performance indicators, with a view to continuously measure environmental and social impact and improve the ESG performance of the company.

On behalf of the board



D E Acton
Director

Date: 17/06/25

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their annual report and financial statements for the year ended 31 December 2024.

Principal activities

Aquatic Engineering & Construction Limited is a global leader in laying and retrieving flexible products from the Seabed for Offshore Wind, Telecoms, Oil and Gas and Decommissioning end markets.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid (2023: £nil). The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D E Acton	(Appointed 9 September 2024)
J P Gregg	(Appointed 9 September 2024)
D J Slattery	(Appointed 9 September 2024)
B M Bouffard	(Appointed 30 May 2024 and resigned 9 September 2024)
B Bruggaier	(Resigned 30 May 2024)
D A Guez	(Appointed 30 May 2024 and resigned 9 September 2024)

Financial instruments

For information on the company's exposure to risks arising from financial instruments please see note 18.

Future developments

The company will continue to provide high quality services to its client base and to seek out opportunities in order to continually improve its key performance indicators.

Auditor

RSM UK Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

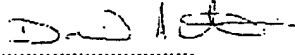
The financial statements have been prepared on a going concern basis, which the directors consider to be appropriate. When assessing the going concern assumption, the directors have considered the group's and company's working capital and funding requirements in 2025 and 2026. In addition, the ultimate parent company, Motive Topco Limited, has provided a letter of support confirming it will continue to support the company by providing adequate strategic, operational and financial assistance to enable the company to continue its business operations as a going concern for the foreseeable future, and for a period of at least 12 months from the date of signing of these financial statements. Motive Topco Limited also confirmed it will not recall or demand any repayment of any other loans or advances due to it by the company as at 31 December 2024, except that insofar as the funds of the company permits repayment and that such repayment will not adversely affect the ability of the company to carry on their business operations as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

On behalf of the board



.....
D E Acton
Director

Date: 17/06/25

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors are responsible for preparing the Strategic Report, the 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 and applicable law), including Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101"). 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 or 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of 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 2024 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AQUATIC ENGINEERING & CONSTRUCTION LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company 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, 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities 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, 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 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 the directors either intend to liquidate the company 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AQUATIC ENGINEERING & CONSTRUCTION LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management whether the company is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls, revenue recognition, impairment of intercompany receivables and completeness and classification of purchases and expenses as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, testing revenue transactions including those pre- and post-year end, testing impairment assessment calculations performed by management and key assumptions therein and testing the completeness and classification of expenses and related accruals.

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

Use of our 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.

Grant Morrison

Grant Morrison CA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
4th Floor
The Capitol
431 Union Street
Aberdeen
AB11 6DA
United Kingdom
17/06/25
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AQUATIC ENGINEERING & CONSTRUCTION LIMITED

INCOME STATEMENT

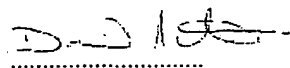
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £'000	2023 £'000
Revenue	3	11,548	9,545
Cost of sales		(9,063)	(8,857)
Gross profit		2,485	688
Administrative expenses		(2,305)	(1,288)
Operating profit/(loss)	5	180	(600)
Investment income		-	4
Finance costs and similar expenses	7	(141)	(324)
Profit/(loss) before taxation		39	(920)
Tax on profit/(loss)	8	(306)	247
Loss and total comprehensive income for the financial year	24	(267)	(673)

AQUATIC ENGINEERING & CONSTRUCTION LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2024**

	Notes	2024 £'000	£'000	2023 £'000	£'000
Non-current assets					
Intangible assets	9		94		120
Property, plant and equipment	10		6,090		5,595
Right-of-use assets	11		50		77
			<u>6,234</u>		<u>5,792</u>
Current assets					
Inventories	13	173		225	
Trade and other receivables	15	4,703		3,293	
Cash and cash equivalents		166		94	
		<u>5,042</u>		<u>3,612</u>	
Current liabilities	16	<u>(3,743)</u>		<u>(5,409)</u>	
Net current assets/(liabilities)			<u>1,299</u>		<u>(1,797)</u>
Total assets less current liabilities			<u>7,533</u>		<u>3,995</u>
Non-current liabilities	16		<u>(17)</u>		<u>(18)</u>
Net assets			<u><u>7,516</u></u>		<u><u>3,977</u></u>
Equity					
Called up share capital	23		3,958		152
Share premium account			3		3
Capital redemption reserve			210		210
Retained earnings	24		3,345		3,612
Total equity			<u><u>7,516</u></u>		<u><u>3,977</u></u>

The financial statements were approved by the board of directors and authorised for issue on 17/06/25 and are signed on its behalf by:



D E Acton
Director

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2023		152	3	210	4,285	4,650
Year ended 31 December 2023:						
Loss and total comprehensive income for the year		-	-	-	(673)	(673)
Balance at 31 December 2023		152	3	210	3,612	3,977
Year ended 31 December 2024:						
Loss and total comprehensive income for the year		-	-	-	(267)	(267)
Transactions with owners in their capacity as owners:						
Issue of share capital	23	3,806	-	-	-	3,806
Balance at 31 December 2024		3,958	3	210	3,345	7,516

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Company information

Aquatic Engineering & Construction Limited is a private company limited by shares incorporated in Scotland. The registered office is Cairnton Road, Boyndie, Banff, Aberdeenshire, Scotland, AB45 2LR. The company's principal activities and nature of its operations are disclosed in the strategic report.

Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The entity makes an explicit and unreserved statement of compliance with IFRS.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

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

The company is a qualifying entity for the purposes of FRS 101, as its a member of a group which prepares publicly available consolidated financial statements and it is included in the consolidation for that group. The company is consolidated into FRS 102 group accounts, the disclosure exemptions have not been taken where the disclosure is not present in the group accounts. Accordingly, the following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements:

- presentation of a statement of cash flows and related notes; and
- disclosure of key management personnel compensation.

Where required, equivalent disclosures are given in the group accounts of Motive Topco Limited. The group accounts of Motive Topco Limited and prepared under FRS 102 and are available to the public and can be obtained as set out in note 27.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Going concern

The financial statements have been prepared on a going concern basis, which the directors consider to be appropriate. When assessing the going concern assumption, the directors have considered the group's and company's working capital and funding requirements in 2025 and 2026. In addition, the ultimate parent company, Motive Topco Limited, has provided a letter of support confirming it will continue to support the company by providing adequate strategic, operational and financial assistance to enable the company to continue its business operations as a going concern for the foreseeable future, and for a period of at least 12 months from the date of signing of these financial statements. Motive Topco Limited also confirmed it will not recall or demand any repayment of any other loans or advances due to it by the company as at 31 December 2024, except that insofar as the funds of the company permits repayment and that such repayment will not adversely affect the ability of the company to carry on their business operations as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

Revenue

Revenue 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 revenue 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.

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 revenue 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, revenue is recognised over time in accordance with the contract's progression (assessed on a cost input method) up to the point of delivery. Revenue 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 revenue for service performance obligations over time as those services are fulfilled. Revenue 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, revenue is also recognised on a straight-line basis over the contract period but is disclosed separately from revenue 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 revenue is accounted for separately and recognised at a point in time, normally when each service is fully completed. In other cases the associated revenue is considered to be an integral part of the contract and recognised in accordance with the performance of the contract as a whole.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

Contracts with significant financing components

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 revenue 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.

Interest receivable, finance costs and similar expenses

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 from fellow group undertakings.

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.

Intangible assets other than goodwill

Research and development

Expenditure of 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 between 3-5 years.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any 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 recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	25 years straight line
Plant and equipment	3-15 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

Impairment of tangible and intangible assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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.

Inventories

Inventories 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.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling prices less costs to complete and sell. The impairment loss is recognised immediately in the profit and loss.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

Financial assets

Trade and other receivables

Trade and other receivables and amounts owed by fellow group undertakings 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 receivables 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 receivables.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

Trade and other payables

Trade and other payables, accruals and amounts owed to fellow group undertakings are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Equity instruments

Financial instruments issued by the company are treated as equity only to the extent they meet the following two conditions:

- 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
- 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.

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.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

Current tax

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

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.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

Retirement benefits

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.

Leases

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.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

(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.

(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.

Foreign exchange

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.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

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.

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.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

2 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods:

Change in accounting policies

- a. New standards, interpretations and amendments adopted from 1 January 2024

The following amendments are effective from the period beginning 1 January 2024:

- Liability in a Sale and Leaseback (amendments to IFRS 16 Leases);
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1 Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements);
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures).

These amendments to various IFRS Accounting Standards are mandatory effective for reporting periods beginning on or after 1 January 2024. These amendments have had no impact to the company.

- a. New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting period that the company has decided not to adopt early.

The following amendment is effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates).

The following amendment is effective for the period beginning 1 January 2026:

- Annual Improvements to IFRS Accounting Standards – Volume 11 (Amendments to IFRS 1, 7, 9, 10 and IAS 7).

The company is currently assessing the impact of these new accounting standards and amendments. The company does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the company.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

3 Revenue

	2024 £'000	2023 £'000
Revenue analysed by class of business		
Rendering of services	11,548	9,545
	<u>11,548</u>	<u>9,545</u>
Revenue analysed by geographical market		
Europe	4,721	2,330
Africa	597	475
North America	1,405	2,481
South America	497	478
Asia and Asia Pacific	1,702	3,314
Middle East/Caspian	688	467
Australia	1,938	-
	<u>11,548</u>	<u>9,545</u>
Timing of turnover recognition		
Products and services recognised over time	11,548	9,545
	<u>11,548</u>	<u>9,545</u>

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 revenue (to the extent the lease definition is met) has not been presented separately from the company's IFRS 15 Revenue 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.

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024 Number	2023 Number
Directors	2	1
Technical and administration	64	60
	<u>66</u>	<u>61</u>
Total	66	61

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

4 Employees (Continued)

Their aggregate remuneration comprised:

	2024 £'000	2023 £'000
Wages and salaries	4,307	3,795
Social security costs	481	425
Pension costs	167	149
	<u>4,955</u>	<u>4,369</u>

5 Operating profit/(loss)

	2024 £'000	2023 £'000
Operating profit/(loss) for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	16	70
Depreciation of property, plant and equipment	1,088	1,201
Depreciation of right-of-use assets	71	134
Amortisation of intangible assets (included within administrative expenses)	26	19
	<u></u>	<u></u>

6 Directors' remuneration

The current year directors are senior executives of the Motive Topco group of companies. They received no fees or remuneration for services as directors of Aquatic Engineering & Construction Limited during the current financial year and it is not possible to make an accurate apportionment of the directors' emoluments in respect of each company in the group.

7 Finance costs and similar expenses

	2024 £'000	2023 £'000
Interest on bank overdrafts and loans	-	15
Other interest payable	-	4
Interest payable to group undertakings	102	187
Interest on lease liabilities	3	5
Net foreign exchange losses	36	113
	<u>141</u>	<u>324</u>

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

8 Taxation

	2024 £'000	2023 £'000
Current tax		
UK corporation tax on profits for the current period	-	(61)
Adjustments in respect of prior periods	163	(116)
Total UK current tax	163	(177)
Foreign taxes and reliefs	88	76
	<u>251</u>	<u>(101)</u>
Deferred tax		
Origination and reversal of temporary differences	162	(161)
Adjustments in respect of prior periods	(107)	15
	<u>55</u>	<u>(146)</u>
Total tax charge/(credit)	<u>306</u>	<u>(247)</u>

The total tax charge/(credit) for the year included in the income statement can be reconciled to the profit/(loss) before tax multiplied by the standard rate of tax as follows:

	2024 £'000	2023 £'000
Profit/(loss) before taxation	39	(920)
Expected tax charge/(credit) based on a corporation tax rate of 25.00% (2023: 23.50%)	10	(216)
Effect of expenses not deductible in determining taxable profit	32	12
Adjustments in respect of prior years	56	(101)
Effect of overseas tax rates	66	-
Foreign taxation	-	58
Deferred tax not provided	142	-
Taxation charge/(credit) for the year	<u>306</u>	<u>(247)</u>

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

9 Intangible fixed assets

	Software £'000	Development costs £'000	Total £'000
Cost			
At 1 January 2023	182	209	391
Disposals	(115)	-	(115)
At 31 December 2023	67	209	276
At 31 December 2024	67	209	276
Amortisation and impairment			
At 1 January 2023	171	81	252
Charge for the year	4	15	19
Eliminated on disposals	(115)	-	(115)
At 31 December 2023	60	96	156
Charge for the year	4	22	26
At 31 December 2024	64	118	182
Carrying amount			
At 31 December 2024	3	91	94
At 31 December 2023	7	113	120

The amortisation charge of £26,000 (2023: £19,000) is recognised within administrative expenses in the profit and loss account.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

10 Property, plant and equipment

	Freehold land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 1 January 2023	-	26,063	26,063
Additions	-	648	648
Disposals	-	(4,712)	(4,712)
At 1 January 2024	-	21,999	21,999
Additions	885	734	1,619
Disposals	-	(117)	(117)
At 31 December 2024	885	22,616	23,501
Accumulated depreciation and impairment			
At 1 January 2023	-	19,679	19,679
Charge for the year	-	1,201	1,201
Eliminated on disposal	-	(4,476)	(4,476)
At 1 January 2024	-	16,404	16,404
Charge for the year	8	1,080	1,088
Eliminated on disposal	-	(81)	(81)
At 31 December 2024	8	17,403	17,411
Carrying amount			
At 31 December 2024	877	5,213	6,090
At 31 December 2023	-	5,595	5,595

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

11 Right-of-use assets

	Land and buildings	Plant, equipment and fixtures and fittings	Total
	£'000	£'000	£'000
Cost			
At 1 January 2024	466	161	627
Additions	-	44	44
Disposals	(414)	(9)	(423)
At 31 December 2024	52	196	248
Accumulated depreciation			
At 1 January 2024	440	110	550
Charge for the year	26	45	71
On disposals	(414)	(9)	(423)
At 31 December 2024	52	146	198
Carrying value			
At 31 December 2024	-	50	50
At 31 December 2023	26	51	77

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Aquatic Asia Pacific Pte Ltd	8 Cross Street #21-05 Manulife Tower, Singapore 048424	Ordinary share capital	100.00

13 Inventories

	2024 £'000	2023 £'000
Finished goods	173	225

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £40,650 (2023: £5,000).

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

14 Contract balances and unsatisfied performance obligations

<i>(a) Contract balances</i>	2024 £'000	2023 £'000
Contract receivables included in trade and other receivables	2,916	1,301
Contract assets	407	234
Contract costs recoverable	16	81
Contract liabilities	(150)	(406)

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 receivables) 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	2024 £'000	2023 £'000
Balance at 1 January	234	28
Balance transferred to trade receivables	(234)	(28)
Conditional right to consideration at the year-end	407	234
Balance at 31 December	407	234

Contract liabilities	2024 £'000	2023 £'000
Balance at 1 January	406	1,044
Amounts transferred to revenue	(406)	(1,044)
Payments received in advance of recognising revenue	150	406
Balance at 31 December	150	406

(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 2024 totals £2,696,000 (2023: £5,207,000). The Company expects these to be satisfied in 2025 (2023: 2024).

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

15 Trade and other receivables

	2024 £'000	2023 £'000
Trade receivables	768	1,301
Contract assets (note 14)	407	234
Contract costs recoverable (note 14)	16	81
VAT recoverable	8	-
Amounts owed by fellow group undertakings	2,553	485
Other receivables	19	112
Prepayments	89	183
	<u>3,860</u>	<u>2,396</u>
Deferred tax asset (note 21)	843	897
	<u>4,703</u>	<u>3,293</u>

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

16 Liabilities

		Current		Non-current	
	Notes	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade and other payables	19	3,281	4,803	-	-
Corporation tax		88	-	-	-
Other taxation and social security		342	543	-	-
Lease liabilities	20	32	63	17	18
		<u>3,743</u>	<u>5,409</u>	<u>17</u>	<u>18</u>

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

17 Financial instruments

The following tables show the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Amoritsed cost	Carrying value Other financial liabilities	Total
	£'000	£'000	£'000
31 December 2024			
Financial assets			
Trade and other receivables	1,191	-	1,191
Cash and cash equivalents	166	-	166
	<u>1,357</u>	<u>-</u>	<u>1,357</u>
Financial liabilities			
Lease liabilities	49	-	49
Trade and other payables	2,853	-	2,853
	<u>2,902</u>	<u>-</u>	<u>2,902</u>
31 December 2023			
Financial assets			
Trade and other receivables	1,616	-	1,616
Cash and cash equivalents	94	-	94
	<u>1,710</u>	<u>-</u>	<u>1,710</u>
Financial liabilities			
Lease liabilities	81	-	81
Trade and other payables	4,779	-	4,779
	<u>4,860</u>	<u>-</u>	<u>4,860</u>

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

18 Financial risk management

The company has exposure to the following risks arising from financial instruments:

- Liquidity risk
- Foreign currency risk
- Credit risk

Risk management framework

The company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework, which is responsible for developing and monitoring the company's risk management policies.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standard and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversee how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Foreign currency risk

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

19 Trade and other payables

	2024 £'000	2023 £'000
Trade payables	1,116	241
Contract liabilities (note 14)	150	406
Amounts owed to fellow group undertakings	1,459	3,534
Accruals	555	622
Other payables	1	-
	<u>3,281</u>	<u>4,803</u>

The amounts owed to group undertakings are repayable on demand.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

20 Lease liabilities

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2024 £'000	2023 £'000
Current liabilities	32	63
Non-current liabilities	17	18
	<u>49</u>	<u>81</u>

	2024 £'000	2023 £'000
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	<u>3</u>	<u>5</u>

Total cash outflow for the year was £78,000 (2023 - £128,000).

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

21 Deferred taxation

	2024 £'000	2023 £'000
Deferred tax assets	<u>(843)</u>	<u>(897)</u>
	<u>(843)</u>	<u>(897)</u>

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Tangible fixed assets £'000	Tax losses £'000	Other £'000	Total £'000
Asset at 1 January 2023	<u>(891)</u>	<u>-</u>	<u>(6)</u>	<u>(897)</u>
Asset at 1 January 2024	<u>(891)</u>	<u>-</u>	<u>(6)</u>	<u>(897)</u>
Deferred tax movements in current year				
Charge/(credit) to profit or loss	<u>117</u>	<u>(63)</u>	<u>-</u>	<u>54</u>
Asset at 31 December 2024	<u>(774)</u>	<u>(63)</u>	<u>(6)</u>	<u>(843)</u>

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

22 Retirement benefit schemes

	2024 £'000	2023 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	167	149

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension liability at the 31 December 2024 was £23,000 (2023 - £24,000).

23 Share capital

	2024 Number	2023 Number	2024 £'000	2023 £'000
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	3,957,495	106,500	3,958	107
'A' Ordinary shares of £1 each	-	45,000	-	45
	<u>3,957,495</u>	<u>151,500</u>	<u>3,958</u>	<u>152</u>

On 28 June 2024 3,805,995 Ordinary shares were issued at a par value of £1 each. On 9 September 2024 45,000 'A' Ordinary shares were reclassified as Ordinary shares.

Ordinary shares have attached to them full voting rights.

24 Reserves

Retained earnings comprise cumulative undistributed earnings of the company.

Share premium

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

Capital redemption reserve

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

25 Contingent liabilities

Glas Trust Corporation Limited, Security Agent acting on behalf of a third-party lender, hold security in the form of a fixed and floating charge over all the assets and undertakings of the company.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

26 Related party transactions

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Deepwater Manufacturing (USA) Inc	-	-	4	-
UTEC NCS Survery Limited	1	15	-	-
	<u>1</u>	<u>15</u>	<u>4</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

	2024	2023
	£'000	£'000
Amounts due to related parties		
Deepwater Manufacturing (USA) Inc	-	1
	<u>-</u>	<u>1</u>

The following amounts were outstanding at the reporting end date:

	2024	2023
	£'000	£'000
Amounts due from related parties		
UTEC NCS Survery Limited	-	2
	<u>-</u>	<u>2</u>

Other information

During the year sales of £511,000 were made to entities under common control. At the year end £2,553,000 was owed from fellow group undertakings.

During the year costs of £87,000 were recharged to the company by entities under common control. At the year end £1,459,000 was due to fellow group undertakings.

All transactions were made on an arms length basis.

27 Controlling party

Aquatic Engineering & Construction Limited is a wholly owned subsidiary of Motive Bidco Limited, a company incorporated in Scotland.

The company's ultimate parent undertakings is Motive Topco Limited, a company incorporated in Scotland.

The smallest and largest group in which the financial results of the company are consolidated is that headed by Motive Topco Limited, a company incorporated in Scotland. The consolidated accounts for Motive Topco Limited are available to the public and a copy may be obtained from Cairnton Road, Boyndie, Banff, Aberdeenshire, AB45 2LR.