

ROTECH SUBSEA LIMITED

**INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE PERIOD ENDED 31 DECEMBER 2023**

ROTECH SUBSEA LIMITED

COMPANY INFORMATION

Directors	Dr D Stewart M H Graham S G Cochrane M C Hill K Cargill (appointed 15 March 2024) K M Stewart (appointed 1 September 2024)
Company secretary	Stronachs Secretaries Limited
Registered number	SC451221
Registered office	Rotech House Whitemyres Avenue Mastrick Industrial Estate Aberdeen AB16 6HQ

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**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The directors are responsible for preparing 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	2,868	6,098
		<u>2,868</u>	<u>6,098</u>
Current assets			
Stocks	5	844,882	718,123
Debtors: Amounts falling due after more than one year	6	1,306,203	262,209
Debtors: Amounts falling due within one year	6	1,602,565	3,203,138
Cash at bank and in hand	7	3,444,112	1,777,796
		<u>7,197,762</u>	<u>5,961,266</u>
Total assets		<u>7,200,630</u>	<u>5,967,364</u>
Capital and reserves			
Called up share capital	12	10,000	10,000
Profit and loss account		6,665,438	5,232,581
Liabilities		6,675,438	5,242,581
Creditors: Amounts Falling Due Within One Year	8	400,192	549,783
Creditors: Amounts Falling Due After More Than One Year	9	125,000	175,000
Total		<u>7,200,630</u>	<u>5,967,364</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2024.

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M C Hill
Director

The notes on pages 3 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. General information

Rotech Subsea Limited is a private limited company incorporated in Scotland. The registered office is Rotech House, Whitemyres Avenue, Mastrick Industrial Estate, Aberdeen, AB16 6HQ.

The principal activity of the company is the provision of Controlled Flow Excavation services for the offshore oil and renewable energy industries.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Freehold Property and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The prior year comparative information reflects 18 months of trading as opposed to the 12 months shown for the year ended 31 December 2023.

The following principal accounting policies have been applied.

2.2 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS 102 Section 1A.

2.3 Going concern

The directors, having made due and careful enquiry, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months.

This assessment is underpinned by projected profitable post year end trading and cash generation by the wider Rotech International group along with the continued support of the group's loan note holders which has been provided. This projection is based on the investments made in the group in recent years and the improving market conditions. As part of this assessment management have considered possible downside scenarios and concluded that there are adequate reserves in place to meet obligations as they fall due.

Given these circumstances, the directors consider it appropriate to prepare the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
 - it is probable that the company will receive the consideration due under the contract;
 - the stage of completion of the contract at the end of the reporting period can be measured reliably;
- and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

The company contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.8 Current and deferred taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	- 5 years straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

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

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from related parties. These are measured at amortised cost and are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. Employees

The average monthly number of employees, not including directors, during the year was 38 (2022 - 33)

4. Tangible fixed assets

	Fixtures & fittings £
Cost or valuation	
At 1 January 2023	19,175
At 31 December 2023	<u>19,175</u>
Depreciation	
At 1 January 2023	13,077
Charge for the year on owned assets	3,230
At 31 December 2023	<u>16,307</u>
Net book value	
At 31 December 2023	<u>2,868</u>
At 31 December 2022	<u>6,098</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. Stocks

	2023 £	2022 £
Raw materials and consumables	<u>844,882</u>	<u>718,123</u>

6. Debtors

	2023 £	2022 £
Due after more than one year		
Amounts owed by group undertakings	<u>1,306,203</u>	<u>262,209</u>

Amounts due by group undertakings are not under a formal lending arrangement, however the directors believe the material element of this balance will be receivable in greater than one year and therefore have been included within assets due after more than one year.

	2023 £	2022 £
Due within one year		
Trade debtors	1,154,012	3,091,158
Other debtors	62,880	73,847
Prepayments and accrued income	383,631	34,887
Deferred taxation	2,042	3,246
	<u>1,602,565</u>	<u>3,203,138</u>

7. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>3,444,112</u>	<u>1,777,796</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

8. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	50,000	50,000
Trade creditors	69,209	282,190
Other taxation and social security	70,885	81,990
Other creditors	34,877	26,307
Accruals and deferred income	175,221	109,296
	<u>400,192</u>	<u>549,783</u>

A third party holds a floating charge over the whole assets of the company.

9. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Bank loans	<u>125,000</u>	<u>175,000</u>

10. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Bank loans	<u>50,000</u>	<u>50,000</u>
	<u>50,000</u>	<u>50,000</u>
Amounts falling due 1-2 years		
Bank loans	<u>50,000</u>	<u>50,000</u>
	<u>50,000</u>	<u>50,000</u>
Amounts falling due 2-5 years		
Bank loans	<u>75,000</u>	<u>125,000</u>
	<u>75,000</u>	<u>125,000</u>
	<u>175,000</u>	<u>225,000</u>

No capital repayments or interest payments were made in the first 12 months of this loan, after which payments commenced in June 2022 consisting of 60 monthly instalments. Interest is charged at a margin of 2.68% over base rate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>3,444,112</u>	<u>1,777,796</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

12. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
10,000 (2022 - 10,000) Ordinary shares of £1.00 each	<u>10,000</u>	<u>10,000</u>

13. Commitments under operating leases

At 31 December 2023 the company had future minimum lease payments due under non-cancellable operating leases as follows:

	2023 £	2022 £
Total	<u>40,263</u>	<u>40,709</u>

14. Related party transactions

The company is a wholly owned subsidiary of the Rotech International Limited group and has taken advantage of the exemptions within FRS 102, Section 1AC.35 (Related Party Disclosure) which allows exemption from the disclosure of related party transactions with other group companies.

During the year the company made purchases totalling £93,500 (18 months ended 31 December 2022 - £12,094) from a company with a common shareholder. There was an outstanding balance of £NIL (2022 - £NIL) between the parties at the year end.

15. Controlling party

The directors consider Rotech International Limited, a company incorporated in Scotland, to be the company's ultimate parent company, and controlling party. The registered address and principal place of business of Rotech International Limited is Rotech House, Whitemyres Avenue, Mastrick Industrial Estate, Aberdeen, AB16 6HQ.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2023 was unqualified.

The audit report was signed on 30 September 2024 by Graeme Penman (Senior statutory auditor) on behalf of Anderson Anderson & Brown Audit LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.