FLOATEL UK CONTRACTOR LTD
SC500821

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2023

MHA
12 CARDEN PLACE
ABERDEEN
AB10 1UR

FLOATEL UK CONTRACTOR LTD

COMPANY INFORMATION

Directors	Mr B T Hjelmstierna	
	Mr G B S Thorlin	(Appointed 26 August 2024)
Secretary	Burness Paull LLP	
Company number	SC500821	
Registered office	Steadfast House Greenwell Road Aberdeen AB12 3AX	
Auditor	MHA 12 Carden Place Aberdeen AB10 1UR	

FLOATEL UK CONTRACTOR LTD

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FLOATEL UK CONTRACTOR LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 30 December 2023.

The company is a member of the Floatel International Ltd group ("the Group").

In accordance with section 414B (b) of the Companies Act 2006, the directors are taking advantage of the small companies exemption to not prepare a strategic report.

Principal activities

The principal activity of the company continued to be that of the provision of semi-submersible accommodation and construction support vessels to the oil and gas industry.

Effective as of 1 Decmeber 2023, the company entered into a Technical management agreement with Floatel Triumph Ltd to manage the vessel Triumph during the transit from Australia to Norway and during the periodic survey. The company has also entered into agreements with customers for operations to be performed during FY2024.

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. 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:

Mr B T Hjelmstierna	
Mr G Wiklund	(Resigned 26 August 2024)
Mr G B S Thorlin	(Appointed 26 August 2024)

Going concern

The company has entered into a cash management agreement with its parent company where Floatel International Ltd undertake to provide necessary liquidity. The board has therefore reasonable expectation for the company to be able to pay its liabilities when due. The company has been awarded two contracts in Q3 of 2023 for execution in 2024.

Auditor

MHA 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 directors' responsibilities

The directors are responsible for preparing the annual 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

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, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr B T Hjelmstierna
Director

16 September 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FLOATEL UK CONTRACTOR LTD

Opinion

We have audited the financial statements of Floatel UK Contractor Ltd (the 'company') for the year ended 30 December 2023 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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 our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 directors' report.

Matters on which we are required to report by exception

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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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 these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements.

We identified laws and regulations that are significant in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates. Laws and regulations of direct significance in the context of the company include UK GAAP, Companies Act 2006 and tax reporting obligations including VAT as it relates to service activities undertaken on the UK Continental Shelf.

We have assessed the susceptibility of the financial statements, including fraud, and considered the fraud risks to be management override of controls and revenue recognition. Our tests included, but were not limited to

- Agreement of the financial statements disclosure to underlying supporting documentation, review of correspondence and enquiries of management and those charged with governance.
- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Reviewing financial disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing manual accounting entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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.

Mark Brown BA CA (Senior Statutory Auditor)
For and on behalf of MHA
Statutory Auditor
Aberdeen
United Kingdom

16 September 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership based in England and Wales (registered number OC312313).

FLOATEL UK CONTRACTOR LTD

INCOME STATEMENT

FOR THE YEAR ENDED 30 DECEMBER 2023

	Notes	2023 $	2022 $
Turnover	3	331,048	-
Cost of sales		(250,326)	7,320
Gross profit		80,722	7,320
Administrative expenses		(66,231)	(57,038)
Operating profit/(loss)	4	14,491	(49,718)
Interest receivable and similar income	6	12,349	4,002
Profit/(loss) before taxation		26,840	(45,716)
Tax on profit/(loss)	7	-	3,431
Profit/(loss) for the financial year		26,840	(42,285)

The income statement has been prepared on the basis that all operations are continuing operations.

FLOATEL UK CONTRACTOR LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 DECEMBER 2023

	2023 $	2022 $
Profit/(loss) for the year	26,840	(42,285)
Other comprehensive income	-	-
Total comprehensive income for the year	26,840	(42,285)

FLOATEL UK CONTRACTOR LTD

STATEMENT OF FINANCIAL POSITION

AS AT 30 DECEMBER 2023

	Notes	2023		2022	
		$	$	$	$
Current assets					
Debtors	**8**	3,550,746		289,126	
Cash at bank and in hand		10,559		9,392	
		3,561,305		298,518	
Creditors: amounts falling due within one year	**9**	(3,274,951)		(39,004)	
Net current assets			286,354		259,514
Capital and reserves					
Called up share capital	**10**		1		1
Profit and loss reserves	**12**		286,353		259,513
Total equity			286,354		259,514

The financial statements were approved by the board of directors and authorised for issue on 16 September 2024 and are signed on its behalf by:

Mr B T Hjelmstierna
Director

Company registration number SC500821 (Scotland)

FLOATEL UK CONTRACTOR LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 DECEMBER 2023

	Share capital	Profit and loss reserves	Total
	$	$	$
Balance at 1 January 2022	1	301,798	301,799
Year ended 30 December 2022:			
Loss and total comprehensive income	-	(42,285)	(42,285)
Balance at 30 December 2022	1	259,513	259,514
Year ended 30 December 2023:			
Profit and total comprehensive income	-	26,840	26,840
Balance at 30 December 2023	1	286,353	286,354

FLOATEL UK CONTRACTOR LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 DECEMBER 2023

	Notes	2023 $	2023 $	2022 $	2022 $
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	15		(11,182)		7,824
Income taxes paid			-		(3,621)
Net cash (outflow)/inflow from operating activities			(11,182)		4,203
Investing activities					
Interest received		12,349		4,002	
Net cash generated from investing activities			12,349		4,002
Net increase in cash and cash equivalents			1,167		8,205
Cash and cash equivalents at beginning of year			9,392		1,187
Cash and cash equivalents at end of year			10,559		9,392

1 Accounting policies

Company information

Floatel UK Contractor Ltd is a private company limited by shares incorporated and domiciled within Scotland. The registered office is Steadfast House, Greenwell Road, Aberdeen, AB12 3AX. Its principal activity continues to be that of offshore accommodation and construction support vessels to the oil and gas industry . Accommodation and construction support vessels are provided through the company's sister companies within the Floatel International Ltd group ("the Group").

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 101 "Reduced Disclosure Framework' ("FRS101"), using the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. Accounting policies have been applied consistently, other than where new policies have been adopted.

As outlined at note 1.2, the financial statements have been prepared on going concern basis.

The financial statements are prepared in US Dollars ($), which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest $.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The company has taken advantage of the following disclosure exemptions under FRS 101 where applicable:

- the requirements of IFRS 7 *Financial Instruments: Disclosures;*
- the requirements of the second sentence of paragraph 10 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of FRS 15 *Revenue from Contracts with Customers;*
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134-136 of IAS 1 *Presentation of of Financial Statements;*
- the requirements of IAS 7 *Statement of Cash Flows;*
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors;*
- the requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures;* and
- the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where required, equivalent disclosures are given within the group financial statements of Floatel International Ltd.

1.2 Going concern

The company has entered into a cash management agreement with its parent company where Floatel International Ltd undertake to provide necessary liquidity. The board has therefore reasonable expectation for the Company to be able to pay its liabilities when due. The company has been awarded two contracts in Q3 of 2023 for execution in 2024.

1 Accounting policies **(Continued)**

1.3 Turnover

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

The company recognises revenue when control is transferred to the customer, that is when the performance obligations are fulfilled. Revenues regarding service contracts are normally recognised over time and accounted for over the duration of the contract with the use of either the input or output methods. These are different methods to measure the progress towards a complete satisfaction of a performance obligation. For revenue recognition over time the company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of services and other related income

a. Charter revenue

The company provides offshore services to the oil and gas industry in the form of time charter contracts. Contract terms generally range from less than one year to five years. Charter income is recognised over time according to the terms of the agreement, in the period the work is performed and the performance obligations fulfilled. Booking fees are recognised when performance obligations are fulfilled.

b. Mobilisation revenue

Mobilisation revenue does not normally have a distinct performance obligation in itself as it is highly interdependent on charter activities. Therefore, the performance obligation relating to mobilisation activities are recognised in line with the performance obligation to provide charter services.

c. Catering and rechargeable revenue

The company provides services regarding catering and rechargeable revenue according to the terms of the agreement. Revenue relating to this service is recognised over time when performance obligations are met.

d. Technical Management revenue

The company provides services to fellow Group companies when their respective accommodation and constructions support vessel ("ASV") is not on charter with third party customers, i.e. is either idle, in lay-up or at a yard for maintenance, repair and/or upgrade. These services consist of normal ship management as well project management services similar to when the ASV is on time charter however on behalf of the owner. These services are therefore ancillary, non-core, low value-added services and are charged on actual cost-plus basis to the respective Group company ASV owner. The revenue is recognised over time according to the terms of the agreement, in the period the work is performed and the performance obligations fulfilled.

e. Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount. The recoverable amount being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

f. Dividend income

Dividend income is recognised when the right to receive payment is established.

(b) Cost to fulfil the contract

The company has assessed that the costs to perform mobilisation activities are costs that have been incurred in fulfilling a contract with a customer. These costs relate directly to a contract, generate resources used in satisfying the contract and are expected to be recovered. The costs are therefore capitalised as costs to fulfil a contract and amortised on a systematic basis over the contract period.

1.4 Cash and cash equivalents

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

1 Accounting policies **(Continued)**

1.5 Financial instruments

Initial recognition and measurement

The company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

The company's financial assets include cash and short-term deposits and trade and other receivables. The company only holds financial assets at amortised cost.

Financial assets held at amortised cost

The company classifies its financial assets at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The company applies the IFRS 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Classification of financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, other financial liabilities measured at amortised cost using the effective interest rate method, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transactions costs. The company has no financial liabilities at fair value through profit or loss or derivatives.

Other financial liabilities

Other financial liabilities are recognised when the company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.
After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method.
Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Derecognition of financial liabilities

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

Offsetting of financial instrument

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1 Accounting policies **(Continued)**

1.6 Equity instruments

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

1.7 Taxation

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

Current tax

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

Deferred tax

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

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

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.8 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 stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies (Continued)

1.9 Foreign exchange

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in US Dollars ($) which is the Company's functional and presentational currency, and all values are rounded to the nearest dollar except where otherwise indicated.

Transactions and balances

Transactions in foreign exchange currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Functional currency

The functional currency of the company is the currency of the primary economic environment in which it operates. In determining the functional currency, the directors determined the currency in which primary influences sales price and the currency in which the majority of the existing costs are dominated in.

3 Turnover and other revenue

	2023	2022
	$	$
Turnover analysed by class of business		
Technical management	331,048	-

	2023	2022
	$	$
Other revenue		
Interest income	12,349	4,002

3 Turnover and other revenue (Continued)

Transaction price allocated to the remaining performance obligations

The company applies the practical expedient in IFRS 15.121 and does not disclose information about retaining performance obligations that have original expected durations of one year or less, to the extent these may arise.

4 Operating profit/(loss)

Operating profit/(loss) for the year is stated after charging/(crediting):	2023 $	2022 $
Exchange losses/(gains)	312	(3,159)
Fees payable to the company's auditor for the audit of the company's financial statements	13,335	18,199

5 Employees

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

	2023 Number	2022 Number
Management	2	2

The directors are remunerated through other companies within the group and as such, no directors' remuneration is shown within the company. The emoluments of the directors are recharged to the company as part of a management charge. This management includes a recharge of administration costs borne by other companies within the group on behalf of the company and it is not possible to identify separately the amount of the directors' emoluments.

6 Interest receivable and similar income

	2023 $	2022 $
Interest income		
Other interest income	12,349	4,002

7 Taxation

	2023 $	2022 $
Current tax		
Adjustments in respect of prior periods	-	(3,431)

7 Taxation (Continued)

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	$	$
Profit/(loss) before taxation	26,840	(45,716)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	5,100	(8,686)
Tax effect of utilisation of tax losses not previously recognised	(5,100)	-
Unutilised tax losses carried forward	-	8,686
Adjustments in respect of prior years	-	(3,431)
Taxation charge/(credit) for the year	-	(3,431)

8 Debtors

	2023	2022
Amounts falling due within one year:	$	$
Amounts owed by group undertakings	266,741	277,756
Other debtors	2,998	11,370
Prepayments and accrued income	3,281,007	-
	3,550,746	289,126

Amounts owed by group undertakings are subordinate, unsecured and are repayable on demand. Interest is received at a market rate on these balances.

9 Creditors: amounts falling due within one year

	2023	2022
	$	$
Trade creditors	2,647,580	44
Accruals and deferred income	627,371	38,960
	3,274,951	39,004

10 Share capital

	2023	2022	2023	2022
Ordinary share capital	Number	Number	$	$
Authorised				
1 Ordinary share of $1 each	1	1	1	1
Issued and fully paid				
1 Ordinary share of $1 each	1	1	1	1

11 Contingent liabilities

Securities

As at 30 December 2023 the company's bank accounts, and all of the company's assets and share capital have been pledged in relation to the group's interest bearing debt, amounting to USD $265 million (2022: $265 million). The company has also guaranteed the same debt.

The lenders also have securities in the internal and external contracts, insurance compensations, floating charges in all group companies where that is permitted.

As at 30 December 2023, the company's shares and voting rights were held by Floatel International Ltd and the pledge bank accounts, assets and the credit rights were at the disposal of the company,

Lease commitments

As at 30 December 2023, the company has no long-term lease commitments for the years to come.

12 Profit and loss reserves

The retained earnings reserve reflects the aggregate of all profits and losses recognised through the income statement less dividends paid throughout all periods up to the balance sheet date.

13 Related party transactions

The company has taken advantage of the exemption under FRS 101 not to disclose transaction with fellow wholly owned members of the group.

14 Ultimate controlling party

The immediate parent and ultimate controlling party of the company is Floatel International Ltd, a company registered in Bermuda whose principal place of business is in Norway. Floatel International Ltd is also the smallest and largest group of undertakings that prepare consolidated financial statements. The consolidated financial statements are available at the following address https://www.floatel.no, or Dronning Eufemias gate 8, 0191 Oslo, Norway.

15 Cash (absorbed by)/generated from operations

	2023 $	2022 $
Profit/(loss) for the year after tax	26,840	(42,285)
Adjustments for:		
Taxation charged/(credited)	-	(3,431)
Investment income	(12,349)	(4,002)
Movements in working capital:		
(Increase)/decrease in debtors	(3,261,620)	81,427
Increase/(decrease) in creditors	3,235,947	(23,885)
Cash (absorbed by)/generated from operations	(11,182)	7,824

16 Analysis of changes in net funds

	31 December 2022 $	Cash flows $	30 December 2023 $
Cash at bank and in hand	9,392	1,167	10,559

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