

Sea-Kit International Ltd

Annual report and financial statements

Registered number 10731151

31 December 2023



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Company information

| | |
|--------------------------|--|
| Director(s) | Douglas Graham |
| Registered number | 02804125 |
| Registered office | Blackwater House Woodrolfe Road Tollesbury Maldon Essex CM9 8SE |
| Auditors | Ernst & Young LLP 4 th Floor 2 Marischal Square Broad Street Aberdeen AB10 1BL |

Directors' Report

The directors present their report and audited financial statements for the year ended 31 December 2023.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption provided by section 415A of the Companies Act 2006.

The company has also taken the exemption under Section 414B of the Companies Act 2006 not to prepare a strategic report.

Principal Activities

The company's principal activity is the design and construction of water craft and marine power trains.

Going Concern

Fugro has a strategic focus on the Energy, Infrastructure and Water sectors. The economic outlook is expected to continue to improve due to increased demand and activity in the existing sectors and ongoing transition towards sustainable new energy.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence in the going concern period to 21 February 2026.

The company receives financial support from its ultimate parent company Fugro N.V. so the directors continue to adopt the going concern basis in preparing the annual financial statements. This support has been documented in a parent support letter.

The directors have assessed the continued financial support from Fugro N.V. until 21 February 2026 and having reviewed the financial position and made suitable enquiries, are satisfied that these financial statements should be prepared on a going concern basis.

Directors

The directors who served during the year were:

Benjamin Patrick Huw Simpson (resigned 21 December 2023)

Jan Herman Ivar de Josselin de Jong (resigned 21 December 2023)

Renate Ingeborg Schreiber (resigned 3 January 2023)

Ashley George Skett (resigned 21 December 2023)

Peter Walker (resigned 21 December 2023)

Hendrik Willem Johannes Van Dalen (appointed 3 January 2023, resigned 31 December 2024)

Douglas Graham (appointed 21 December 2023)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' Report (*continued*)

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board

Doug Graham

Doug Graham (Feb 21, 2025 14:05 GMT)

Douglas Graham
Director
21 February 2025

Directors' Responsibilities Statement

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEA-KIT INTERNATIONAL LTD

Opinion

We have audited the financial statements of Sea-Kit International LTD (the 'company') for the year 31 December 2023 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- (i) give a true and fair view of the company's affairs as at 31 December 2023 and of its loss for the year then ended;
- (ii) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- (iii) 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.

Other matter – unaudited comparative information

The statutory financial statements of the Company for the prior year ended 31 December 2022 were not audited. The corresponding figures in the financial statements for the current year ended 31 December 2023 are based on the unaudited financial statements for the prior year ended 31 December 2022.

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 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 the 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:

- (iv) 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
- (v) the directors' report has been prepared in accordance with applicable legal requirements.

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 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the

primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations.
- We understood how Sea-Kit International LTD is complying with those frameworks by making enquiries of management including those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes of board meetings and consideration of the results of our audit procedures for the company.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was susceptibility to fraud, reviewing documentation of the company's policies and procedures. We considered the controls that the company has established to address the risk identified, or that otherwise prevent, defer or detect fraud; and how management monitors those controls.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved a review of board minutes and enquiries of those charged with governance and management. If we identify instances of non-compliance, we understand how management and those charged with governance have responded to them, including understanding the remediation actions taken, through enquiry of management and inspection of relevant documentation and correspondence. We also consider the appropriateness of the accounting for the impacts of any such non-compliance, and the adequacy of the financial statement disclosures.

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.

DocuSigned by:
Ernst & Young LLP
8996C57A753B45A...

Tom Sanders (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Aberdeen
21 February 2025

Income statement
for the year ended 31 December 2023

| | <i>Note</i> | 2023 £ | As Restated 2022 £ |
|---|-------------|--------------------|-----------------------|
| Turnover | | 4,111,862 | 5,588,120 |
| Cost of sales | | (3,267,674) | (4,227,594) |
| | | <hr/> | <hr/> |
| Gross profit | | 844,188 | 1,360,526 |
| Administrative expenses | | (1,032,242) | (851,082) |
| | | <hr/> | <hr/> |
| Operating (loss)/profit | 3 | (188,054) | 509,444 |
| Interest receivable and similar income | 5 | 21 | - |
| Interest payable and similar charges | 6 | (1,005) | - |
| | | <hr/> | <hr/> |
| (Loss)/Profit on ordinary activities before taxation | | (189,038) | 509,444 |
| Tax credit/(charge) on (loss)/profit | 7 | 6,102 | (75,905) |
| | | <hr/> | <hr/> |
| (Loss)/profit for the financial year | | (182,936) | 433,539 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The above results derive from continued operations.

There was no other comprehensive income or expense during the financial period or during the prior financial period.

The notes on pages 11 to 21 form part of these financial statements.

Statement of financial position
as at 31 December 2023

| | Note | 2023 £ | As Restated 2022 £ |
|--|------|-------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 8 | 39,905 | 66,089 |
| Intangible assets | 9 | <u>118,668</u> | <u>23,951</u> |
| | | 158,573 | 90,040 |
| Current assets | | | |
| Stock and work in progress | | 730,029 | - |
| Debtors: amounts falling due within one year | 10 | 371,121 | 904,972 |
| Cash at bank and in hand | 11 | <u>18,173</u> | <u>57,471</u> |
| | | 1,119,323 | 962,443 |
| Creditors: amounts falling due within one year | 12 | <u>(1,260,636)</u> | <u>(976,701)</u> |
| Total assets less current liabilities | | <u>(141,313)</u> | <u>(14,258)</u> |
| Net assets | | <u>17,260</u> | <u>75,782</u> |
| Capital and reserves | | | |
| Called up share capital | 13 | 100 | 100 |
| Other reserves | | - | 124,414 |
| Profit and loss account | | <u>17,160</u> | <u>(48,732)</u> |
| Shareholders' funds | | <u>17,260</u> | <u>75,782</u> |

The financial statements were approved and authorised for issue by the Board of Directors on 21 February 2025 and were signed on its behalf by:

Doug Graham

Doug Graham (Feb 21, 2025 14:05 GMT)

Douglas Graham
 Director
 21 February 2025

Statement of changes in equity
at 31 December 2023

| | Called up share capital | Revaluation Reserve | Other Reserves | As Restated Profit and loss account | As Restated Total equity |
|--|-------------------------------|------------------------|-------------------|---|-----------------------------------|
| | £ | £ | £ | £ | £ |
| Balance at 1 January 2022 as previously reported | 100 | 817,115 | 62,207 | (519,770) | 359,652 |
| Prior year adjustment (note 14) | | (778,115) | | 130,463 | (647,652) |
| Balance at 1 January 2022 as restated | | 39,000 | 62,207 | (389,307) | (288,000) |
| Prior year adjustment (note 14) | | | | (92,963) | (92,963) |
| Profit for the financial year as restated | | | | 433,538 | 433,539 |
| Revaluation adjustment | | (39,000) | | | (39,000) |
| Share based payments | | | 62,207 | | 62,207 |
| Restated as at 31 December 2022 | 100 | - | 124,414 | (48,732) | 75,782 |

| | Called up share capital | Revaluation Reserve | Other Reserves | Profit and Loss Account | Total Equity |
|-------------------------------------|-------------------------------|------------------------|-------------------|-------------------------------|-----------------|
| Balance as at 1 January 2023 | 100 | | 124,414 | (48,732) | 75,782 |
| Loss for the financial year | | | | (182,938) | (182,938) |
| Share Based payment | | | 124,414 | | 124,414 |
| Reclass other reserves | | | (248,828) | 248,828 | - |
| At 31 December 2023 | 100 | - | - | 17,160 | 17,260 |

Notes

(forming part of the financial statements)

1 General information

Sea-Kit International Ltd is a private company, incorporated in England. The company's registered number and registered office address can be found on the Company Information page.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of a state other than the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

2.3 Going Concern

Fugro has a strategic focus on the Energy, Infrastructure and Water sectors. The economic outlook is expected to continue to improve due to increased demand and activity in the existing sectors and ongoing transition towards sustainable new energy.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence in the going concern period to 21 February 2026.

The company receives financial support from its ultimate parent company Fugro N.V. so the directors continue to adopt the going concern basis in preparing the annual financial statements. This support has been documented in a parent support letter.

The directors have assessed the continued financial support from Fugro N.V. until 21 February 2026 and having reviewed the financial position and made suitable enquiries, are satisfied that these financial statements should be prepared on a going concern basis.

2.4 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

Notes (continued)

2. Accounting policies (continued)

2.4 Revenue (continued)

- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

Where fair value of the goods or services cannot be ascertained, the fair value of the equity instruments at the date of issue is estimated.

2.7 Current and deferred taxation

Tax expense comprises current and deferred tax. Tax is recognised in profit or loss 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.

Notes (continued)

2. Accounting policies (continued)

2.7 Current and deferred (continued)

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.

2.8 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

| | | |
|---------------------|---|-----|
| Plant and machinery | - | 25% |
| Motor vehicles | - | 25% |
| Office equipment | - | 25% |

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.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

2.10 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.

Notes (continued)

2. Accounting policies (continued)

2.11 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.

2.12 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.

2.13 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.14 Financial instruments

The Company has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favorable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Notes (continued)

2. Accounting policies (continued)

2.14 Financial instruments (continued)

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

2.15 Critical accounting 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.16 Critical accounting judgements and key sources of estimation uncertainty

The directors do not consider there to be any critical accounting judgements that must be applied other than those that include an element of uncertainty.

2.17 Related Party Transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Notes (continued)

3. Operating profit / (loss)

| | 2023 | 2022 |
|--|-----------|-----------|
| <i>The operating profit / (loss) is stated after charging / (crediting):</i> | £ | £ |
| Depreciation of right-of-use assets | 29,287 | 30,169 |
| Staff Costs | 1,404,279 | 1,325,436 |

| | 2023 | 2022 |
|---|----------|----------|
| <i>Auditor's remuneration:</i> | £ | £ |
| Auditors' remuneration for work carried out for the company in respect of the financial year is as follows: | 25,000 | - |

4. Average number of employees

During the year the average number of employees, including directors, was 23 (2022: 21)

5. Interest receivable

| | 2023 | 2022 |
|---------------|------------------|-----------------|
| | £ | £ |
| Bank interest | 21 | - |
| | <u>21</u> | <u>-</u> |
| | <u><u>21</u></u> | <u><u>-</u></u> |

6. Interest payable

| | 2023 | 2022 |
|-------|---------------------|-----------------|
| | £ | £ |
| Other | 1,005 | - |
| | <u>1,005</u> | <u>-</u> |
| | <u><u>1,005</u></u> | <u><u>-</u></u> |

Notes (continued)

7. Taxation

(a) Analysis of charge in year

| | 2023 | As Restated 2022 |
|---|-----------------|---------------------|
| | £ | £ |
| UK corporation tax | | |
| Current tax on income for the year | (26,640) | - |
| Adjustments in respect of prior year(s) | (590) | - |
| Total current tax | <u>(27,230)</u> | - |
| Deferred tax | | |
| Origination/reversal of timing differences | 19,806 | (55,016) |
| Adjustments in respect of prior periods | 58 | - |
| Change in tax rate | 1,264 | (20,889) |
| Total deferred tax | <u>21,128</u> | (75,905) |
| Tax on Profit/(Loss) on ordinary activities | <u>(6,102)</u> | (75,905) |

(b) Factors affecting tax charge for the year

The tax assessed on the Profit/(Loss) on ordinary activities for the year differs from the standard rate of corporation tax in UK of 23.5% (2022: 19%).

The differences are explained below:

| | 2023 | As Restated 2022 |
|---|------------------|---------------------|
| | £ | £ |
| (Loss)/Profit before tax | <u>(189,038)</u> | 509,444 |
| (Loss)/Profit on ordinary activities multiplied by the standard rate of corporation tax in UK 23.5% (2022: 19%) | (44,424) | 96,794 |
| Effects of: | | |
| Adjustments in respect of prior year corporation tax | (590) | - |
| Adjustments in respect of prior year deferred tax | 58 | - |
| Expenses not deductible for tax purposes | 37,590 | - |
| Deferred tax rate change | 1,264 | (20,889) |
| | <u>(6,102)</u> | 75,905 |

Notes (continued)

7. Taxation (continued)

(b) Deferred tax

The deferred tax asset included in the statement of financial position is as follows:

| | 2023 | As Restated 2022 |
|---------------------------------------|----------------|---------------------|
| | £ | £ |
| Deferred tax liability | | |
| Accelerated capital allowances | 9,976 | 16,464 |
| Revalued asset | - | - |
| | <u>9,976</u> | <u>16,464</u> |
| Deferred tax asset | | |
| Decelerated capital allowances | | |
| Other temporary differences | 1,068 | 28,684 |
| Revalued asset | - | - |
| Tax losses | 106,484 | 106,484 |
| | <u>107,552</u> | <u>135,168</u> |
| Disclosed on the balance sheet | | |
| Deferred tax liability | (9,976) | (16,464) |
| Deferred tax asset | 107,552 | 135,168 |
| | <u>97,576</u> | <u>118,704</u> |

The movement in deferred taxation in the year was as follows:

| | 2023 | As Restated 2022 |
|---|---------------|---------------------|
| Balance at 1 January | 118,704 | 11,734 |
| Current year (charge)/credit | (21,070) | (75,905) |
| Credit to other comprehensive income | - | 182,875 |
| Adjustments in respect of prior periods | 58 | - |
| | <u>97,576</u> | <u>118,704</u> |
| Balance as at 31 December 2023 | <u>97,576</u> | <u>118,704</u> |

Notes (continued)**8. Tangible fixed assets**

| | Plant & machinery £ | Motor vehicles £ | Office equipment £ | Total £ |
|--------------------------------|---------------------------|---------------------|-----------------------|------------|
| Cost | | | | |
| At 1 January 2023 (Restated) | 44,602 | 12,500 | 69,390 | 126,492 |
| Additions | 605 | - | 2,498 | 3,103 |
| At 31 December 2023 | 45,207 | 12,500 | 71,888 | 129,595 |
| Depreciation | | | | |
| At 1 January 2023 (Restated) | 28,457 | 2,083 | 29,863 | 60,403 |
| Charge for the year | 8,336 | 3,125 | 17,826 | 29,287 |
| At 31 December 2023 | 36,793 | 5,208 | 47,689 | 89,690 |
| Net book value | | | | |
| At 31 December 2023 | 8,414 | 7,292 | 24,199 | 39,905 |
| At 31 December 2022 (Restated) | 19,270 | 7,292 | 39,527 | 66,089 |

9. Intangible Assets

| | Software Under Construction £ |
|--------------------------------|-------------------------------------|
| Cost | |
| At 1 January 2023 (Restated) | 23,951 |
| Additions | 94,717 |
| At 31 December 2023 | 118,668 |
| Amortisation | |
| At 1 January 2023 | - |
| Charge for the year | - |
| At 31 December 2023 | - |
| Net book value | |
| At 31 December 2023 | 118,668 |
| At 31 December 2022 (Restated) | 23,951 |

Notes *(continued)*

10. Debtors

| | 2023 | As Restated 2022 |
|--|----------------|------------------|
| | £ | £ |
| Amounts owed by group undertakings | 110,485 | 551,649 |
| Trade debtors | 20,340 | 35,915 |
| VAT | 49,068 | 126,443 |
| Corporation tax | 58,391 | 31,161 |
| Prepayments and accrued income | 35,261 | 30,023 |
| Amounts recoverable on long term contracts | - | 11,077 |
| Deferred taxation | 97,576 | 118,704 |
| | 371,121 | 904,972 |
| | 371,121 | 904,972 |

Amounts owed by group undertakings are unsecured, repayable on demand and interest free.

11. Cash and cash equivalents

| | 2023 | 2022 |
|--------------------------|----------------------|---------------|
| | £ | £ |
| Cash at bank and in hand | <u>18,173</u> | <u>57,471</u> |

12. Creditors: amounts falling due within one year

| | 2023 | As Restated 2022 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Payments received on account | - | 469,791 |
| Trade creditors | 156,583 | 359,673 |
| Amounts owed to group undertakings | 943,351 | - |
| Other taxation and social security | 45,288 | 48,623 |
| Other creditors | 4,271 | 4,599 |
| Accruals and deferred income | 111,143 | 94,015 |
| | 1,260,636 | 976,701 |
| | 1,260,636 | 976,701 |

Notes (continued)

13 .Share capital

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Allotted, called up and fully paid | | |
| 10,000 (2022: 10,000) Ordinary shares of £0.01 each | 100 | 100 |

14 . Adjustment made in respect of correction of prior year error

During the current financial year, the company reviewed the presentation of items in the Profit and Loss accounts and Balance sheet and identified in the prior year that the company's Tangible and Intangible assets were overstated and understated respectively.

- 1) Maxlimer vessel previously valued at fair value, correction made to revalue at cost.
- 2) GSAVI development costs previously recorded as administrative expenses, corrected to be reported as an Intangible Asset.

Both errors have been corrected in 2022 values within these financial statements with some adjustments to opening retained earnings. The table below provides an overview of the 2022 values restated.

| | 2022 as originally reported | Correction 1 | Correction 2 | 2022 as restated |
|--|--|---------------------|---------------------|--|
| Income statement | | | | |
| Administrative expenses | (950,033) | 75,000 | 23,951 | (851,082) |
| Deferred tax charge | (69,917) | (5,988) | | (75,905) |
| | | | | |
| Statement of financial position | 31 December 2022 as originally reported | Correction 1 | Correction 2 | Restated as of 31 December 2022 |
| Tangible assets | 953,589 | (887,500) | | 66,089 |
| Intangible assets | - | | 23,951 | 23,951 |
| Accruals & deferred income | (94,025) | 10 | | (94,015) |
| Deferred tax | (97,183) | 215,887 | | 118,704 |
| Revaluation reserves | (778,115) | 778,115 | | - |
| Retained earnings | 179,195 | (106,512) | (23,951) | 48,732 |

15. Ultimate parent company

The company is a subsidiary undertaking of Fugro N.V. incorporated in the Netherlands.

The largest group in which the results of the company are consolidated is that headed by Fugro N.V.. The consolidated accounts of this company are available to the public and may be obtained from Fugro House, Hithercroft Road, Wallingford, Oxfordshire OX10 9RB. No other group financial statements consolidate the results of the company.