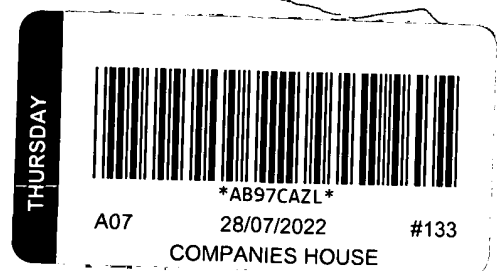


Registered number 02424225

# **Technip-Coflexip UK Holdings Limited**

## **Annual report and financial statements**

**for the year ended 31 December 2021**



# Technip-Coflexip UK Holdings Limited

## Annual report and financial statements for the year ended 31 December 2021

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# Technip-Coflexip UK Holdings Limited

## Strategic report for the year ended 31 December 2021

The directors present their strategic report on the Company for the year ended 31 December 2021.

### Principal activities

The Company is primarily a holding company. During the year, the Company also incurred costs relating to research and development in accordance with the Hybrid Flexible Pipe collaboration agreement between the company and its associated undertaking Magma Global Limited ("Magma"). These costs were subsequently re-charged to Technip N Power until Q1 2022. From this point, Magma will invoice Technip N Power directly.

### Business review and results

The Company's key financial performance indicators during the year and at the year end were as follows:

	2021 £000	2020 £000
Profit before tax	36,113	7,206
Investments	294,038	202,499
Net current liabilities	(209,838)	(125,152)

The profit before tax for the current year arises mainly from the reversal of impairment (£15,204,000) against the company's investment in Magma Global Limited ("Magma") following the acquisition of the remaining 75% of the share capital of Magma, the reversal of impairment (£4,372,000) in Genesis Oil and Gas Consultants Limited ("Genesis") following its disposal to TechnipFMC plc and also includes the gain on sale of Genesis (£21,111,000). Investments have increased due to the Company acquiring the remaining 49% of Technip Island Offshore AS for a value of £30,480,000 and from acquiring the remaining 75% of Magma for a value of £45,855,000. In addition, an impairment provision of £15,204,000 was reversed against Magma as a result of a reassessment of the fair value following the acquisition. The net current liabilities are principally arising from loans payable to related undertakings and deferred payments relating to the acquisition of Magma and Technip Island Offshore Subsea AS ("TIOS"). The company has received assurance that the amounts owed to group undertakings will not be repayable in the forthcoming year.

### Principal risks and uncertainties

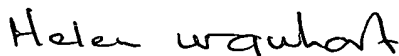
The Company is primarily a holding company and consequently there are no principal risks and uncertainties arising from trading activities.

The Company holds long-term investments in subsidiary companies, which have their own business risk and the company monitors the financial performance of its subsidiaries as a shareholder and seeks to obtain returns on its investment in dividends. Any sustained oil price drop will impact the long-term Subsea outlook and could have an impact on the ability of the Company's subsidiaries to secure future work and therefore lead to lower returns and potentially, impairment of investments.

### Future developments

The Company expects to continue to act as an investment holding company and will also continue to pass through to Technip N Power, the research and development costs incurred under the Hybrid Flexible Pipe collaboration agreement with Magma until Q1 2022. From this point, Magma will invoice Technip N Power directly.

On behalf of the Board



H Urquhart  
Director  
25 July 2022

Hadrian House  
Wincomblee Road  
Newcastle Upon Tyne  
NE6 3PL

# Technip-Coflexip UK Holdings Limited

## Directors' report for the year ended 31 December 2021

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2021.

### Results and dividends

The Company generated a profit for the financial year of £36,617,000 (2020: profit of £7,364,000). The profit for the current year arises from the gain on sale (£25,483,000) from the disposal of an investment in a subsidiary (Genesis Oil and Gas Consultants Limited) and from the reversal of impairment (£15,204,000) against the company's investment in Magma following the acquisition of the remaining 75% of the share capital of Magma and the related fair value exercise that was performed upon completion of the step acquisition. No dividends were paid during the year (2020: £nil). No final dividend has been declared.

### Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the Company's ultimate parent company, TechnipFMC plc. The directors have received written confirmation that TechnipFMC plc will continue to support the Company for at least twelve months from the date of signing the financial statements.

### Financial Instruments

#### *Financial risk management*

The Company holds long-term investments in subsidiary companies, which have their own business risk and the company monitors the financial performance of its subsidiaries as a shareholder and seeks to obtain returns on its investment in dividends. The long-term investments are funded by a combination of permanent capital and intra group loans and the directors believe the Company has no significant liquidity, credit or cash flow risks.

#### *Interest rate risk*

The Company invests any material surplus funds with group undertakings and if required borrows funds to support its activities from the same. When required the company also uses short-term deposits and bank overdrafts. Interest is received or charged at market rates and although there is interest rate exposure this is not material.

#### *Liquidity risk*

The Company mitigates this risk by managing cash balances, payments and collections and by ensuring adequate credit facilities are available in conjunction with other group undertakings. Capital investment is carefully appraised to ensure an acceptable cash payback period is achieved.

### Directors

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

H Urquhart	
TS Bille	(resigned 28 May 2021)
A Gorman	(resigned 29 April 2022)
B Mennie	(appointed 20 April 2022)

### Climate change

The Company has taken advantage of the exemption in S1 2018/1155 from the requirement to disclose Streamlined Energy and Carbon Reporting on the basis that the company is consolidated within the financial statements of TechnipFMC plc and the relevant reporting is included as part of the group accounts.

# Technip-Coflexip UK Holdings Limited

## Directors' report for the year ended 31 December 2021 (continued)

### Climate change (continued)

The TechnipFMC group was created with the vision to drive real change in the energy industry. In recent times, there has been increasing attention from stakeholders, investors, customers on renewable energy and Environment, Social and Governance ("ESG") practices and disclosures, including practices and disclosures related to greenhouse gases and climate change. If we are unable to meet the ESG standards, investment and/or lending criteria set by investors, we may lose investment and our reputation may be negatively affected. The group is exploring opportunities in greenhouse gas removal, offshore floating renewables, and hydrogen, and are confident that its strategy and beliefs drive its ESG practices to reshape the industry for a sustainable future. The Company is currently an investment holding company entity and future developments surrounding climate change will be dependent on the Company's subsidiaries winning further Subsea projects.

### Future developments

The Company expects to continue to act as an investment holding company and will also continue to pass through to Technip N Power, the research and development costs incurred under the Hybrid Flexible Pipe collaboration agreement with Magma through Q1 2022. From this point, Magma will invoice Technip N Power directly.

### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and financial statements and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

### Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

# Technip-Coflexip UK Holdings Limited

## Directors' report for the year ended 31 December 2021 (continued)

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed.

On behalf of the Board



H Urquhart  
**Director**

Hadrian House  
Wincomblee Road  
Newcastle Upon Tyne  
NE6 3PL

25 July 2022

# Independent auditors' report to the members of Technip-Coflexip UK Holdings Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Technip-Coflexip UK Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2021; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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.

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.

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

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

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

# Technip-Coflexip UK Holdings Limited

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

### Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to increase profitability and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud
- Evaluation of management's controls designed to prevent and detect irregularities
- Review of the minutes of meetings of the Board of Directors
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, and
- Challenging assumptions and judgements made by management in their significant accounting estimates.



# Technip-Coflexip UK Holdings Limited

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Bruce Collins (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Aberdeen

25 July 2022

# Technip-Coflexip UK Holdings Limited

## Statement of comprehensive income

for the year ended 31 December 2021

	Note	2021 £000	2020 £000
Administrative expenses	4	(1,923)	8,916
<b>Operating profit</b>		<b>(1,923)</b>	<b>8,916</b>
Gain on sale of investment in subsidiary	9	21,111	-
Impairment reversals on investments in subsidiaries	9	19,576	-
Interest receivable and similar income	6	1,636	1,186
Interest payable and similar expenses	7	(4,287)	(2,896)
<b>Profit before taxation</b>		<b>36,113</b>	<b>7,206</b>
Income tax credit	8	504	158
<b>Profit for the financial year being total comprehensive income for the year</b>		<b>36,617</b>	<b>7,364</b>

All activities are continuing.

# Technip-Coflexip UK Holdings Limited

## Statement of financial position

as at 31 December 2021

	Note	2021 £000	2020 £000
<b>Non current assets</b>			
Investments	9	294,038	202,499
		<hr/>	<hr/>
		294,038	202,499
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors (includes £26,643,000 due after more than one year)	10	29,463	13,598
		<hr/>	<hr/>
		29,463	13,598
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	11	(239,301)	(138,750)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(209,838)	(125,152)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		84,200	77,347
		<hr/>	<hr/>
<b>Creditors: amounts falling due after more than one year</b>	12	(12,025)	(72,265)
		<hr/>	<hr/>
<b>Net assets</b>		72,175	5,082
		<hr/>	<hr/>
<b>Equity</b>			
Called up share capital	13	19,456	19,456
Share premium account		61,044	61,044
Accumulated losses		(8,325)	(75,418)
		<hr/>	<hr/>
<b>Total shareholders' funds</b>		72,175	5,082
		<hr/>	<hr/>

The notes on pages 10 to 22 are an integral part of these financial statements.

The financial statements of Technip-Coflexip UK Holdings Limited on pages 7 to 22 were approved by the Board of Directors on 25 July 2022 and signed on its behalf by.

*Helen Urquhart*

H Urquhart  
Director

Registered number 02424225

# Technip-Coflexip UK Holdings Limited

## Statement of changes in equity for the year ended 31 December 2021

	Called up share capital	Share premium account	Accum- ulated losses	Total shareholders' (deficit)/funds
	£000	£000	£000	£000
At 1 January 2020	19,456	61,044	(82,782)	(2,282)
Profit for the financial year and total comprehensive income for the year	-	-	7,364	7,364
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	19,456	61,044	(75,418)	5,082
Profit for the financial year and total comprehensive income for the year	-	-	36,617	36,617
Exercise of put option on non-controlling interest (note 11)	-	-	30,476	30,476
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2021</b>	<b>19,456</b>	<b>61,044</b>	<b>(8,325)</b>	<b>72,175</b>

# Technip-Coflexip UK Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2021

### 1 Nature of operations

Technip-Coflexip UK Holdings Limited ("TCUKHL" or the "Company") is a UK domiciled and incorporated company, registered in England and Wales. The Company is a private limited company limited by shares. The address of its registered office is Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL. The principal activity of the Company is that of a Holding company.

### 2 Summary of significant accounting policies

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

#### *Basis of preparation*

The financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The Company is a qualifying entity for the purpose of FRS 101 which sets out a reduced framework for a qualifying entity, as described in the Standard. The Standard addressed the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of UK-adopted International Financial Reporting Standards (IFRS). Note 15 gives details of the Company's ultimate parent and from where consolidated financial statements prepared in accordance with IFRS may be obtained.

The Company is a wholly owned subsidiary of TechnipFMC plc and is included in the consolidated financial statements of TechnipFMC plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparation and delivery to the registrar of group financial statements available under Section 400 of the Companies Act 2006. Therefore the financial statements present information about the Company as an individual undertaking and not about its group.

The application of FRS 101 has enabled the Company to take advantage of certain disclosure exemptions that would have been required had the company adopted IFRS in full. In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes
- disclosures in respect of related party transactions with two or more members of the group
- the effects of new but not yet effective IFRSs
- disclosures in respect of the compensation of key management personnel
- the disclosures required by IFRS 7 Financial Instrument disclosures

The financial statements of the Company are presented in Pounds Sterling, and all values are rounded to the nearest thousands, except where otherwise indicated.

#### *Changes in accounting policies*

There were no new accounting standards applicable for the first time during the year. Several amendments and interpretations applied for the first time in 2021, but they did not have any impact on the financial statements. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

# Technip-Coflexip UK Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2021 (continued)

### 2 Summary of significant accounting policies (continued)

#### *Going concern*

The financial statements have been prepared under the going concern basis. The Company had net current liabilities at the year-end of £209,838,000 (2020: £125,152,000). The directors have forecast the expected cash requirements for the next twelve months and are confident that these can be met. In addition, the Company's ultimate parent undertaking, TechnipFMC plc has provided the company with written confirmation that it will continue to make such funds as are needed by the company to allow it to meet its working capital requirements and to enable it to pay its liabilities as they fall due for payment for a period of at least twelve months from the date of approval of the financial statements. Consequently, the directors consider it appropriate to prepare the financial statements on a going concern basis.

#### *Foreign currencies*

##### *(a) Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Pounds Sterling, which is also the functional currency. All amounts are rounded to the nearest thousand, unless otherwise stated.

##### *(b) Transactions and balances*

Transactions and balances denominated in foreign currencies have been translated into functional currency at the rate of exchange ruling at the dates of these transactions or valuation where items are re-measured. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the balance sheet date, and the gains and losses on translation are included in the statement of comprehensive income.

#### *Investments*

Investments in subsidiaries are held at cost less provisions for impairment, except for certain financial assets and liabilities, which are measured at fair value with changes in fair value recorded in profit or loss.

#### *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

#### *Non derivative financial instruments*

Non-derivative financial instruments comprise trade and other debtors, trade and other creditors, cash and cash equivalents and loans and borrowings.

##### *(a) Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. If there is evidence of an increase in credit risk regarding a specific trade debtor, that debtor is removed from the "group" and expected credit loss is considered specifically for that receivable (see note 3.4). The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

# Technip-Coflexip UK Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2021 (continued)

### 2 Summary of significant accounting policies (continued)

#### *Non derivative financial instruments (continued)*

##### *(b) Trade and other creditors*

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

##### *(c) Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents.

##### *(d) Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### *Put option arrangements*

The Company had a written put option over the remaining 49% equity of Technip Island Offshore Subsea AS which permitted the holder to put their remaining shares to the company at their fair value during a specified time period (12 March 2020 to 31 December 2021). The amount that may become payable under the option on exercise was initially recognised within creditors due after more than one year with a corresponding deduction directly to equity. The liability was subsequently accreted through finance charges up to the redemption amount that was payable at the date at which the option first becomes exercisable. The liability was denominated in USD and re-translated in accordance with the foreign currencies accounting policy. The option with TIOS was exercised on 5 August 2021 for a purchase price of USD 42,533,500.

#### *Intra-group financial instruments*

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

#### *Taxation*

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

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

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

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

# Technip-Coflexip UK Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2021 (continued)

### 2 Summary of significant accounting policies (continued)

#### *Dividend policy*

##### (a) Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

##### (b) Dividend income

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

#### *Critical accounting judgements and key sources of estimation uncertainty*

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are noted below:

#### *Impairment of investments*

The carrying amounts of investments are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an investment may be impaired. The recoverable amount of an asset is estimated as the higher of fair value less costs to sell or disposal and the value in use, with an impairment charge recognised whenever the carrying amount exceeds the recoverable amount. The value in use is calculated using a discounted cash flow model which is most sensitive to the discount rate as well as the expected future cash flows. A sensitivity analysis is also performed on key assumptions used for the impairment test, in order to ensure no reasonable change of an assumption on which the Company has based its recoverable value jeopardizes the conclusions of the impairment test.

#### *Expected credit loss on financial assets*

In accordance with IFRS 9, trade receivables are initially recognised at transaction price where there is no significant financing component. After initial recognition, an expected credit loss is recognised. In measuring expected credit loss, financial assets with similar characteristics are grouped together and the expected credit loss is calculated based on the Company's historical default rate over the expected life of the trade receivables, adjusted for forward looking estimates. Trade receivables that don't meet the characteristics of the group are considered separately and expected credit loss is measured in a way that reflects:

- a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected credit losses are calculated by: (a) identifying scenarios in which a loan or receivable defaults; (b) estimating the cash shortfall that would be incurred in each scenario if a default were to happen; (c) multiplying that loss by the probability of the default happening; and (d) summing the results of all such possible default events.



# Technip-Coflexip UK Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2021 (continued)

### 3 Auditors' remuneration

	2021 £000	2020 £000
The remuneration of the auditors can be analysed as follows:		
Audit of the financial statements	18	16

The remuneration of the auditors is borne by the main UK trading company, Technip UK Limited, and is not recharged to the Company. Technip UK Limited is a fellow subsidiary of TechnipFMC plc.

### 4 Operating profit

Operating profit is stated after charging / (crediting):

	2021 £000	2020 £000
Research and development (credit)	-	(9,550)
Legal costs	1,923	-

The research and development credit in the prior year related to costs incurred from 2018 to 2019 in relation to the Hybrid Flexible Pipe agreement which were subsequently re-charged to Technip N Power. The company incurred legal costs in connection with the acquisition of TIOS and these have been disclosed as administrative expenses. The administrative credit in the prior year related to the back-dated re-charge to Technip N Power of the research and development costs incurred under the Hybrid Flexible Pipe collaboration agreement with Magma.

### 5 Remuneration of directors

The directors did not receive any remuneration in respect of services to the company during the year (2020: £nil).

The Company has no employees (2020: nil).

### 6 Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable from group undertakings	831	30
Foreign exchange gain on redeemable financial liability	458	1,156
Foreign exchange gains	347	-
	<b>1,636</b>	<b>1,186</b>

# Technip-Coflexip UK Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2021 (continued)

### 7 Interest payable and similar expenses

	2021 £000	2020 £000
Interest payable to group undertakings	1,056	1,966
Other interest payable	104	43
Foreign exchange losses	-	25
Other interest	3,127	-
Redeemable financial liability fair value measurement	-	862
	<u>4,287</u>	<u>2,896</u>

Other interest relates to interest on late settlement of the TIOS acquisition.

### 8 Income tax

#### (a) Analysis of tax credit

The tax credit is made up as follows:

	2021 £000	2020 £000
<b>Current tax:</b>		
Current year tax (credit) / expense	(504)	1,368
Prior year tax credit	-	(1,526)
	<u>(504)</u>	<u>(158)</u>
<b>Tax charge credit</b>	<u>(504)</u>	<u>(158)</u>

#### (b) Factors affecting income tax credit

The tax assessed for the year is the lower (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled below:

	2021 £000	2020 £000
<b>Profit before taxation</b>	<b>36,113</b>	<b>7,206</b>
	<u></u>	<u></u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	6,861	1,369
Effect of:		
Other expenses not deductible for tax	-	(1)
Impairment of investments	(3,719)	-
Gain on disposal of investments	(4,011)	-
Legal fees	365	-
Prior period adjustment	-	(1,526)
	<u>(504)</u>	<u>(158)</u>
<b>Total tax credit</b>	<u>(504)</u>	<u>(158)</u>

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. There is no deferred tax impact within the company.

# Technip-Coflexip UK Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2021 (continued)

### 9 Investments

	Shares in group undertakings £000	Associated undertakings £000	Total £000
<b>Cost</b>			
At 1 January 2021	206,871	40,419	247,290
Additions	76,335	-	76,335
Transfer between categories	40,419	(40,419)	-
Disposals	(4,372)	-	(4,372)
<b>At 31 December 2021</b>	<b>319,253</b>	<b>-</b>	<b>319,253</b>
<b>Provision for impairment</b>			
At 1 January 2021	4,372	40,419	44,791
Transfer between categories	40,419	(40,419)	-
Released to income statement	(19,576)	-	(19,576)
<b>At 31 December 2021</b>	<b>25,215</b>	<b>-</b>	<b>25,215</b>
<b>Net book amount</b>			
At 1 January 2021	202,499	-	202,499
<b>At 31 December 2021</b>	<b>294,038</b>	<b>-</b>	<b>294,038</b>

Investments are recorded at cost less provision for impairment, except for the company's investment in Magma, which is measured at fair value with changes in fair value recorded in profit or loss.

On 4 January 2021, the Company sold its investment in Genesis Oil and Gas Consultants Limited to TechnipFMC plc and as a result, the impairment of investment of £4,372,000 was reversed. The proceeds from sale were £25,482,000 (USD 34,815,000) and a gain on disposal of £21,111,000 was recognised.

On 5 August 2021, the Company acquired the remaining 49% of shares in Technip Island Offshore Subsea AS (TIOS) for a price of £30,480,000 (USD 42,534,000).

On 13 October 2021, the Company acquired the remaining 75% of shares in Magma for a total consideration of £45,855,000. The payment scheme associated with the transaction has three milestone payments which reflect in principle, milestones associated with progress on the qualification of the Hybrid Flexible Pipe ("HFP") with the final payment being linked to the successful qualification of the HFP product. The first payment of £17,505,000 was paid on 13 October 2021. The second payment of £16,082,000 is a deferred payment and due on 13 October 2022 and the third payment is a contingent consideration with a total value of up to £14,882,000. The contingent consideration booked is £12,025,000 and is based on a discounted weighted average of various possibilities of when the triggers for payment are most likely to occur. Based on the valuation for the additional 75% interest, an impairment reversal has been booked amounting to £15,204,000.

The directors performed a review for the impairment of shares in the remaining group undertakings by comparing the book value of the investments to the subsidiaries underlying net assets. It was concluded that no additional impairment was required for the year ended 31 December 2021.

# Technip-Coflexip UK Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2021 (continued)

### 9 Investments (continued)

Details of direct undertakings are as follow:

Name	Country of registration/ incorporation	Registered Office	Proportion of issued ordinary share capital %	Principal activity
TechnipFMC International Holdings BV	Netherland	Zuidplein 126, Tower H, 1077 XV Amsterdam	13.54% (Share Capital Shares 21,711.04)	Holding company
Spoolbase UK Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL	100	Management services
Subsea Offshore Services Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL	100	Fully integrated subsea contractor
Subsea Maritime Services Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL	100	Fully integrated subsea contractor
Subsea I&C Services Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL	100	Fully integrated subsea contractor
West Africa Subsea Services Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL	100	Fully integrated subsea contractor
Technip Maritime UK Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL	100	Dormant
Technip Offshore Holdings Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL	100	Dormant
Magma Global Limited	United Kingdom	Magma House, Trafalgar Wharf, Portsmouth, Hampshire, PO6 4PX	100	Design and manufacture of composite risers, spools and intervention lines for Subsea Oil and Gas market
TIOS AS	Norway	Lagerveien 23, Stavanger, Norway, 4033	100	Supplier of services to the offshore industry

# Technip-Coflexip UK Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2021 (continued)

### 9 Investments (continued)

Details of indirect undertakings:

Name	Country of registration / incorporation	Registered office
Technip UK Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL
Technip Ships One Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL
TechnipFMC Umbilicals Ltd	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL
Technip Services Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL
Technip Offshore Manning Services Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL
Lusotechnip Engenharia, Sociedade Unipessoal Lda.	Portugal	Centro Empresarial Torres de Lisboa, Rua Tomás da Fonseca, Torre E, Piso 9, Lisbon, 1600-209
Technip Myanmar Co. Ltd	Myanmar	No. 18, G/F, Tha Pyay Nyo Street, Shin Saw Pu Quarter, Yangon, Myanmar
Technip Norge AS	Norway	Philip Pedersens vei 7, 1366 Lysaker
Technip Chartering Norge AS	Norway	Philip Pedersens vei 7, 1366 Lysaker
Technip Oceania PTY Ltd	Australia	Ground Floor, 1 William Street, Perth, Western Australia, 6000
Technip Offshore (Nigeria) Ltd	Nigeria	22A, Gerrard Road, Ikoyi, Lagos
Technip Singapore PTE Ltd	Singapore	149 Gul Circle, Singapore, Singapore, 629605
Global Industries Offshore (Thailand), Ltd	Thailand	North Sathorn Road, Building 2, No. 95/92, 18th Floor, Sathorn Thani, Bangkok, Thailand, 10500
Technip Marine (M) SDN. BHD	Malaysia	Suite 13.03, 1th Floor, Menare, Tan & Tan, 207 Jalan Tun Razak, Kuala Lumpur, 50400 Malaysia
Flexiasia SDN BHD	Malaysia	Suite 13.03, 13th Floor, Meare, Tan & Tan, 207 Jalan Tun Razak, Kuala Lumpur, 50400 Malaysia
Asiافlex Products SDN. BHD	Malaysia	Suite 13.03, 13th Floor, Menare, Tan & Tan, 207 Jalan Tun Razak, Kuala Lumpur, 50400 Malaysia
Dofcon Brasil AS	Norway	Thormøhlens Gate, 53 C, Bergeb, 5006 Norway
DOFCON NAVEGAÇÃO LTDA	Brazil	Rua Dom Marcos, Barboa, nº 2, Sala 602 (Parte), Cidade Nova, Rio de Janeiro, 20211-178, Brazil
Techdof Brasil AS	Norway	Thormøhlens Gate, 53 C, Bergen, 5006 Norway
TechnipFMC International Finance Ltd	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL
FMC Technologies Australia Limited	Australia	66 Sparks Road, Henderson, Western Australia, 6166
TechnipFMC DSV 3 Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL
FMC Technologies Argentina SRL	Argentina	c/o Allende & Brea, Maipú 1300, 10th Floor, Buenos Aires C1006ACT

# Technip-Coflexip UK Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2021 (continued)

### 9 Investments (continued)

Details of indirect undertakings:

Name	Country of registration / incorporation	Registered office
FMC Technologies do Brasil Ltda	Brazil	Rodovia Presidente Dutra 2660, Pavuna - RJ – Brazil, CEP 21535-900
TechnipFMC Island Offshore Subsea UK Ltd	United Kingdom	TechnipFMC, Enterprise Drive, Aberdeenshire, Scotland, AB32 6TQ
Forsys Subsea Ltd	United Kingdom	Birchin Court, 20 Birchin Lane, London, England & Wales, EC3V 9DU
AGAT Technology AS	Norway	Lagerveien 23, 4033, Stavanger
TechnipFMC Guyana Inc	Guyana	2 Avenue of the Republic, Georgetown, Guyana
TechnipFMC Ghana Ltd	Ghana	6th Floor, One Airport Square, 00233 Accra
Creowave OY	Finland	Oulu, Finland, 90230
FMC Technologies Surface Wellhead B.V.	Netherlands	Trekkenweg 5, Veenoord, 7844NZ
Kongsberg Technology Training Centre AS	Norway	Kirkegårdsveien 45, 3616 KONGSBERG
FMC Technologies Pension Plan Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, United Kingdom, NE6 3PL
FMC Technologies SP.Z.O.O.	Poland	Al. Jana Pawła II 43B, Krakow, Poland, 31-864
Control Systems International (UK) Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL
FMC Technologies International Services B.V.	Netherlands	Zuidplein 126, Tower H, 15th Fl., 1077 XV Amsterdam
FMC Technologies B.V.	Netherlands	Zuidplein 126, Tower H, 15th Fl., 1077 XV Amsterdam
FMC Technologies Global Business Services Ltd	United Kingdom	Johnston Carmichael, LLP, Bishop's Court, Aberdeen, United Kingdom, AB10 1YL
Technip Coflexip Norge AS	Norway	Philip Pedersens vei 7, 1366 Lysaker
FMC Technologies Singapore Pte Ltd	Singapore	149 Gul Circle, 629605 Singapore
FMC Separation Systems B.V.	Netherlands	Delta 101, Amsterdam 6825 MN Arnhem
FMC Kongsberg Services Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL
FMC Kongsberg International GMBH	Switzerland	Bahnhofstrasse 10, 6300 Zurich
Crosby Services International Ltd.	United Kingdom	Enterprise Drive, Westhill, Aberdeenshire, AB32 6TQ
FMC Technologies Global Rental Tools S.A R.L	Luxembourg	8-10 avenue de la Gare, 1610 Luxembourg
PT FMC Santana Petroleum Equipment Sdn Bhd	Indonesia	Jalan Cakung Cilincing Raya KM 2.5
FMC Technologies Global Services PTE. Ltd.	Singapore	149 Gul Circle, 629605 Singapore
F.M.C Petroleum Services Ltd.	Iraq	English Village Compound House 161, Gulan Street, Erbil, 31019
FMC Technologies Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL
FMC Technologies Kazakhstan LLP	Kazakhstan	43/5 building, industrial zone 3, Birlik residential area, 130006, Kyzyltobe village, Munaily district, Mangistau Region

# Technip-Coflexip UK Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2021 (continued)

### 9 Investments (continued)

Details of indirect undertakings:

Name	Country of registration / incorporation	Registered office
FMC Kongsberg Subsea AS	Norway	Kirkegårdsveien 45, 3616 Kongsberg
FMC Technologies Tool Holdings S.A.R.L.	Luxembourg	8-10 avenue de la Gare, 1610 Luxembourg
AABB Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, United Kingdom, NE6 3PL
Deep Purple AS	Norway	Kirkegårdsveien 45, KONGSBERG, Norway, 3616
F.A. Sening GmbH	Germany	Regentstraße 1, Ellerbek, 25474
FMC Eurasia LLC	Russia	4, Lesnoy Lane 4, Business centre "White Stone", Moscow, 125047
FMC Technologies (Ghana) Limited	Ghana	Commercial Port Gate 2 Takoradi, P.O. Box CT 42, Cantonments, Accra
FMC Technologies (Pty.) Ltd.	South Africa	Koper Street Brackenfell, Cape Town, 7560
FMC Technologies Brazil Finance B.V.	Netherlands	Zuidplein 126, WTC, Tower H, 15e, Amsterdam, 1077XV
FMC Technologies Egypt LLC	Egypt	2nd floor, building No. 80, Road 250 Maadi El Sarayat, Maadi
FMC Technologies GmbH	Switzerland	Bahnhofstrasse 10, Zurich, 6300
FMC Technologies India Private Limited	India	Plot No. 27(Part), Survey No.124, Road No.12, IDA Nacharam Hyderabad, India, 500 076
FMC Technologies S.r.l. a socio unico	Italy	Viale Thomas Alva Edison n.110 ed. A, Sesto San Giovanni ( MI ), 20099
FMC Technologies Service SARL	Tunisia	Rue Lac Tanganyika, Immeuble Junior, Bureaux 2-3, Les Berges du Lac, La Marsa, 1053
FMC Wellhead de Venezuela, S.A.	Venezuela	Av. 62, N° 147-35, Zona Industrial, Maracaibo, Venezuela
FMC Wellhead Equipment Sdn Bhd	Malaysia	Suite 13.03, 13th Floor, Menara Tan & Tan, Kuala Lumpur, Malaysia, 50400
FMC/KOS West Africa Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, United Kingdom, NE6 3PL
Magnora Offshore Wind AS	Norway	Karenslyst Allé 2, 9th Floor, Oslo, 0278
Schilling Robotics Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, United Kingdom, NE6 3PL
Smith Meter GmbH	Germany	Regentstraße 1, Ellerbek, 25474
Sorbwater Technology AS	Norway	Fagernes 4, Bergen, Norway, 5043
Technip Middle East FZCO	United Arab Emirates	Office LB15310, P.O. Box, Jebel Ali Free Zone, Dubai, 17864
Technip Mozambique Lda	Mozambique	Districto Urbano 1, Bairro Central, Avenida da Vladmir Lénine, Maputo
Technip-Deepocean PRS JV DA	Norway	Killingøy, Haugesund, Norway, 5515
TechnipFMC (Europe) Limited	United Kingdom	Hadrian House, Wincomblee Road, Newcastle Upon Tyne, United Kingdom, NE6 3PL
TechnipFMC Canada Ltd.	Canada	C/o McInnes Cooper, 5th Floor, 10 Fort William Place, St. John's, Newfoundland A1C 5X4
TechnipFMC Cash BV	Netherlands	Zuidplein 126, WTC, Tower H, 15e, Amsterdam, 1077XV
TechnipFMC Equatorial Guinea SARL	Equatorial Guinea	Airport Road, KM5, APDO 925, Malabo
TECHNIPFMC Nigeria Limited	Nigeria	22A, Gerrard Road, Ikoyi, Lagos

# Technip-Coflexip UK Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2021 (continued)

### 10 Debtors

	2021 £000	2020 £000
Amounts owed by group undertakings	28,481	11,050
Corporation tax receivable	-	358
Other debtors	982	2,190
	<hr/>	<hr/>
	29,463	13,598
	<hr/>	<hr/>

Amounts owed by group undertakings include a loan and associated interest with TechnipFMC Plc. The loan receivable was entered into on 4 January 2021 in exchange for the Company's investment in Genesis Oil and Gas Consultants Limited. The loan principal amounts to £25,821,000 (USD 34,815,000) and is repayable on 4 January 2026. Interest accrues on this loan at a fixed rate of 3.22% per annum. Accrued interest at 31 December 2021 was £822,000. Other amounts owed by group undertakings are interest free and repayable on demand. Expected credit loss was considered and it was determined that the impairment was not material (2020: £nil).

Amounts owed by group undertakings includes £26,643,000 due in more than one year.

### 11 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Amounts owed to group undertakings	168,437	97,784
Demand deposit	54,782	9,939
Other creditors	16,082	93
Redeemable financial liability	-	30,934
	<hr/>	<hr/>
	239,301	138,750
	<hr/>	<hr/>

The demand deposit relates to amounts due to the TechnipFMC group treasury function.

Amounts owed to group undertakings include a loan from Technip UK Limited for £14,006,000 (2020: £14,006,000). Interest is paid on the loan value at a fixed rate of 6.25% per annum. Amounts owed to group undertakings also includes loans and associated interest in connection with the acquisitions of TIOS and Magma during 2018. Loan 1, entered into on 12 March 2018 amounts to £31,137,000 (2020: £31,139,000) and is repayable on 31 December 2022. The rate of interest is based on the GBP Libor rate + 0.5% per annum. Loan 2, entered into on 12 March 2018 amounts to £41,124,000 (2020: £41,126,000) and is repayable on 30 December 2022. The rate of interest is based on GBP Libor rate + 0.5% per annum. Both loans are payable to Technip Offshore International SAS ("TOI").

Other amounts owed to group undertakings are unsecured and repayable on demand, although the company does not expect to be required to settle balances due to subsidiary undertakings in the coming year.

Other creditors represents the deferred consideration payable to Magma following the acquisition of the remaining 75% of shares.



# Technip-Coflexip UK Holdings Limited

## Notes to the financial statements

for the year ended 31 December 2021 (continued)

### 11 Creditors: amounts falling due within one year

A redeemable financial liability was recognised in 2018 to account for a put option arising on the acquisition of Technip Island Offshore Subsea AS (TIOS). On 5 August 2021, the Company acquired the remaining 49% of shares in Technip Island Offshore Subsea AS (TIOS) for a price of £30,480,000 (USD 42,534,000) and the redeemable financial liability was utilised. The value of the redeemable financial liability at the exercise date was £30,476,000 (USD 42,263,000). The put option was initially recognised as a reduction against equity and the equity was therefore accreted and reclassified to cost of investments when the option was exercised.

### 12 Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Amounts owed to group undertakings	-	72,265
Other non-current liabilities	12,025	-
	<u>12,025</u>	<u>72,265</u>

Amounts owed to group undertakings in the prior year related to the two loans with TOI which fall due for payment in December 2022 and are therefore disclosed within amounts falling due within one year for the year ended 31 December 2021. Other non-current liabilities represents the discounted fair value of the contingent consideration payable as the final instalment relating to the acquisition of the remaining 75% of shares in Magma. The estimated date of achievement of the triggers to initiate the payment is between 31 December 2023 and 31 December 2025.

### 13 Called up share capital

	2021 £000	2020 £000
Allotted and fully paid 19,456,521 (2020: 19,456,521) ordinary shares of £1 each	19,456	19,456

### 14 Commitments and contingencies

At 31 December 2021, the Company had contingent liabilities amounting to £176,289,000 (2020: £222,986,000) in respect of the parent company and other guarantees given in the normal course of business.

### 15 Ultimate parent company

The immediate parent undertakings are Technip Offshore NV (16.2%), a company incorporated in the Netherlands and Technip Offshore International SAS (83.8%), a company incorporated in France.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is TechnipFMC plc, registered with Companies House under number 09909709. The consolidated financial statements are available at its registered address, Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL and are available on the following website: <http://investors.TechnipFMC.com>.

On 16 February 2021, TechnipFMC plc completed its split into two independent, publicly traded companies, TechnipFMC plc and Technip Energies with the latter beginning trading on compartment A of Euronext's

# Technip-Coflexip UK Holdings Limited

## Notes to the financial statements

*for the year ended 31 December 2021 (continued)*

### **15 Ultimate parent company (continued)**

On 16 February 2021, TechnipFMC plc completed its split into two independent, publicly traded companies, TechnipFMC plc and Technip Energies with the latter beginning trading on compartment A of Euronext's regulated market in Paris. TechnipFMC plc remains the ultimate parent undertaking and controlling entity of the Company.

### **16 Subsequent events**

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with Russia's invasion of Ukraine. The war between the two countries continues to evolve and the directors are constantly monitoring the situation. As at the date of signing these financial statements, the war is not having any material financial impact on the Company. Although the situation is evolving and the future direction of the war is unpredictable, the directors also do not anticipate any material financial impact on the Company in the foreseeable future.