

**Cybernetix S.R.I.S. Limited**  
Registered number: 5961602

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**Directors' Report and  
Financial Statements for the year ended 31 December 2018  
for  
Cybernetix S.R.I.S. Limited**

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**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**

**Company Information**

**For the year ended 31 December 2018**

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<b>DIRECTORS:</b>	H Urquhart T Bille L Dupagne S Rocher	(appointed 31 Dec 2018)  (resigned 31 Dec 2018)
<b>SECRETARY:</b>	B Mennie	
<b>INDEPENDENT AUDITORS:</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Capitol 431 Union Street Aberdeen AB11 6DA	
<b>BANKERS:</b>	Barclays Bank 163 – 165 Union Street Aberdeen AB11 6SL	
<b>REGISTERED OFFICE:</b>	One St Paul's Churchyard London EC4M 8AP	

**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**  
**Contents of the Financial Statements**  
**For the year ended 31 December 2018**

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**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**

**Directors' Report**

**For the year ended 31 December 2018**

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The directors present their report and the audited financial statements for the year ended 31st December 2018.

**Results and dividends**

The profit for the financial year amounted to £5,498,523 (2017: loss of £3,000). The directors do not recommend the payment of a dividend (2017: nil).

**Principal activities**

The company's principal activity is the provision of inspection and integrity management services. The company also engages in the research and development activities relating to new pipeline inspection tools and techniques. The company is a private limited company limited by shares incorporated and domiciled in the UK and registered in England and Wales. The company is a wholly owned subsidiary of Genesis Oil & Gas Consultants Limited and the ultimate parent undertaking and controlling party is TechnipFMC Plc, a company incorporated in the United Kingdom. Please see details in note 13.

On 18 May 2018 the company had its name changed from Subsea Integrity Group Limited to Cybernetix S.R.I.S Limited.

**Going concern**

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the financial support from TechnipFMC Plc. The directors have received confirmation that TechnipFMC Plc intend to support the company for at least one year from the date of the financial statements.

**Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements are set out on page 2.

**Financial risks management**

The company finances its activities with a combination of cash and loans from and to group undertakings to satisfy short-term cash flow needs.

*Foreign currency risk*

The company seeks to mitigate the effect of its foreign currency exposures by fixing exchange rates in advance for projects with a material foreign currency element. As a result, the company has minimal exposure to foreign currency risks as at the Balance Sheet date or the year then ended.

*Interest rate risk*

The company invests any surplus funds with group undertakings and, if necessary, borrows funds to support its activities from the same group undertakings. Interest rate risk is therefore not material.

**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**

**Directors' Report (continued)**

**For the year ended 31 December 2018**

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*Credit risk*

The risk of financial loss could arise due to a counterparty's failure to honour its contracted obligations. Company policies are aimed at minimising such losses, and require that customers satisfy creditworthiness procedures and provide acceptable payment terms, supported if necessary by adequate payment security. Overdue debts are carefully monitored and appropriate action is taken for their recovery.

*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.

*Price risk*

The company seeks to manage its exposure to changing market prices for services and materials by entering in to fixed price contracts and frame agreements with suppliers where it is appropriate.

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

The directors are responsible for preparing the Annual Report 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 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 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 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**

**Directors' Report (continued)**

**For the year ended 31 December 2018**

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**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.

**Independent Auditors**

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

The directors' report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006. The directors' have also taken advantage of the exemption from presenting a strategic report in accordance with s414B of the Companies Act 2006.

**On behalf of the board:**



H Urquhart

**Director**

Date: 17 December 2019

**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**  
**Independent Auditors' Report to the Members of Cybernetix S.R.I.S.**  
**Limited**

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**Report on the audit of the Financial Statements**

**Opinion**

In our opinion, Cybernetix S.R.I.S. Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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 Directors' Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the statement of comprehensive income, 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**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

**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.

**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**  
**Independent Auditors' Report to the Members of Cybernetix S.R.I.S.**  
**Limited (Continued)**

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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 Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

***Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 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 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 set out on page 5, 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.

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.



**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**  
**Independent Auditors' Report to the Members of Cybernetix S.R.I.S.**  
**Limited (Continued)**

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**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 received 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.

**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Richard Spilsbury (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Aberdeen

17 December 2019

**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2018**

	Note	2018 £'000	2017 £'000
<b>Turnover</b>	<b>3</b>	<b>520</b>	<b>1,131</b>
Cost of sales		<u>(607)</u>	<u>(1,181)</u>
<b>Gross Loss</b>		<b>(87)</b>	<b>(50)</b>
Administrative expenses		(107)	11
Other income	<b>6</b>	<b>40</b>	<b>16</b>
Impairment gains on financial liabilities due to group undertakings	<b>11</b>	<u><b>5,632</b></u>	<u>-</u>
<b>Profit/(Loss) before income tax</b>		<b>5,478</b>	<b>(23)</b>
Tax on profit/(loss)	<b>8</b>	<u><b>21</b></u>	<u><b>20</b></u>
<b>Profit/(Loss) and total comprehensive income /(expense) for the financial year</b>		<u><b>5,499</b></u>	<u><b>(3)</b></u>

All operations are continuing.


The notes on the accompanying pages form part of these financial statements.

**Cybernetix S.R.I.S Limited (Registered number: 5961602)**  
**Statement of Financial position**  
**As at 31 December 2018**

	Note	2018 £'000	2017 £'000
<b>Fixed Assets</b>			
Tangible assets	9	13	32
<b>Current assets</b>			
Debtors	10	373	1,116
Cash at bank and in hand		881	216
		<u>1,254</u>	<u>1,332</u>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	11	(982)	(6,578)
<b>Net current assets/(liabilities)</b>		<u>272</u>	<u>(5,246)</u>
<b>Total assets less current liabilities</b>		<u>285</u>	<u>(5,214)</u>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Retained Earnings/(Accumulated losses)		<u>285</u>	<u>(5,214)</u>
<b>Total shareholders' funds/(deficit)</b>		<u>285</u>	<u>(5,214)</u>

The notes on the accompanying pages form part of these financial statements.

The financial statements on pages 10 to 21 of Cybernetix S.R.I.S. Limited (Formerly Subsea Integrity Group Limited) were approved by the Board of Directors on 17 December 2019 and were signed on its behalf by:



H Urquhart  
Director

**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2018**

	Called up Share Capital £'000	Profit and loss account £'000	Total shareholders' deficit £'000
Balance as at 31 December 2016	-	(5,211)	(5,211)
Loss and total comprehensive expense for the financial year	-	(3)	(3)
Balance as at 31 December 2017	-	(5,214)	(5,214)
Profit and total comprehensive income for the financial year	-	5,499	5,499
Balance as at 31 December 2018	-	285	285

**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**

**Notes to the Financial Statements**

**For the year ended 31 December 2018**

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**1. Accounting policies**

**1.1. Basis of preparation**

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

The financial statements have been prepared in accordance with the Financial Reporting Standard 101, Reduce 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 exemption in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards (IFRS). Note 12 gives details of the Company's ultimate parent and from where consolidated financial statements prepared in accordance with IFRS may be obtained.

In these financial statements 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. The only such exemptions that the directors consider to be significant are:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- disclosures in respect of transactions with wholly owned subsidiaries; and
- disclosures in respect of the compensation of key management personnel

As the consolidated financial statements of the ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 7 Financial Instruments.

The financial statements of the company are presented in Pounds sterling, which is also the company's functional currency. All values are rounded to the nearest thousands, except where otherwise indicated.

This company qualifies as a small company and therefore exempt from presenting a strategic report under s414B of Companies Act 2006.

**1.2. Going Concern**

TechnipFMC Plc has provided the company with an undertaking that it will, for at least 12 months from the date of approval of these financial statements, continue to make available such funds as are needed by the company. This will enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2018**

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**1.3. Research and development**

Research and development expenditure is written off as incurred. The research and development programme is focused on developing tools for pipeline inspection and integrity.

**1.4. Revenue**

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised when or as control over a good or service is transferred to a customer.

***Project revenue - revenue recognised over time***

***Allocation of transaction price to performance obligations***

A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue, when, or as, the performance obligation is satisfied. To determine the proper revenue recognition method, we evaluate whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment; some of our contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and, therefore, not distinct. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct service in the contract.

***Payment terms***

Milestone payments and progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Payment terms may either be fixed, lump-sum or driven by time (i.e., daily or hourly rates). Amounts billed and due from our customers are classified as receivables on the statement of financial position. Our standard credit terms are 30 days.

***Revenue recognised over time***

Our performance obligations are satisfied over time as work progresses or at a point in time when performance obligations are fulfilled and control transfers to the customer. Typically, revenue is recognised over time using an input measure (e.g., costs incurred to date relative to total estimated costs at completion) to measure progress.

***Cost-to-cost method***

For our long-term contracts, because of control transferring over time, revenue is recognised based on the extent of progress towards completion of the performance obligation. Upon adoption of the new standard we always use the cost-to-cost measure of progress for our contracts because it best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred.

**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2018**

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*Contract modifications*

Contracts are sometimes modified to account for changes in contract specifications and requirements. We consider contract modifications to exist when the modification either creates new, or changes the existing, enforceable rights and obligations. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

**1.5. Foreign currencies**

Monetary assets and liabilities in foreign currencies are expressed in sterling at the foreign exchange rates ruling at the balance sheet date. Transactions arising in foreign currency are translated at their spot rate and resultant exchange differences are recorded in the profit and loss account.

**1.6. Current income tax**

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

The current tax charge can also include group relief payable to group companies for the value of losses surrendered in the period and reflected as a payable to the relevant group company.

**1.7. Financial instruments**

***Financial Assets***

*Initial recognition and subsequent measurement*

The company adopted IFRS 9 Financial Instruments from 1 January 2018 which resulted in changes in accounting policies but without restating comparative information. In accordance with the transitional provisions in IFRS 9 (7.2.15) and (7.2.26), comparative figures have not been restated.

IFRS 9 Financial Instruments replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through income or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. From a review of the financial statements, the company has concluded the following classification change to have taken place as a result of IFRS 9 adoption:

- All financial instruments previously classified as loans and receivables under IAS 39 are classified and measured at amortised cost under IFRS 9.

**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**

**Notes to the Financial Statements (continued)**

**For the year ended 31 December 2018**

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A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All of the company's financial assets are held at amortised cost.

*Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

*Impairment of financial assets*

IFRS 9 introduces a new expected credit loss model which broadens the information that an entity is required to consider when determining its expectations of impairment. Under this new model, expectations of future events must be taken into account and this could result in the earlier recognition of larger impairments.

The company has adopted the simplified expected credit loss model for its trade receivables and contract assets, in accordance with IFRS 9, paragraph 5.5.15. This simplified approach to measuring expected credit losses uses a lifetime expected loss allowance for all classes of financial assets.

Trade receivables are carried at cost less allowances for loss. The allowance loss measurement is then determined by applying a simplified approach equalling the lifetime expected credit losses. Under this approach the tracking of credit is not required but instead the base expected credit loss at all times is applied.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate ("EIR"). The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the Income Statement.



**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2018**

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***Financial Liabilities***

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities and the adoption of IFRS 9 has therefore not had a significant effect on the Group's accounting policies related to financial liabilities nor derivative financial instruments.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through income or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in income or loss when the liabilities are derecognised as well as through the EIR amortisation process.

**2. Critical accounting estimates**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**2.1 Revenue recognition – revenue recognised over time**

For lumpsum projects, the percentage of completion is calculated according to the nature and the specific risk of each contract. The percentage of completion is usually based on technical milestones laid out in the agreement with the client or the ratio between the budgeted hours and the actual hours earned. Revenue is recognised based on the extent of progress towards completion of the performance obligation.

Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues are recorded proportionally as costs are incurred.

Costs associated with specific risks are estimated by assessing the probability that conditions arising from these specific risks will affect our total cost to complete the project. After work on a project begins, assumptions that form the basis for our calculation of total project cost are examined on a regular basis and our estimates are updated to reflect the most current information and management's best judgement.

**3. Turnover**

The turnover for the year was attributable to the company's activity with clients in:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
UK and Europe	<b>520</b>	1,131
	<b>520</b>	1,131

**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**

**Notes to the Financial Statements (continued)**

**For the year ended 31 December 2018**

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**4. Auditors' remuneration**

Audit fees, which amounted to £5,000 (2017: £5,000), has been met by a fellow group company. There were no other fees for any other services paid to the auditors.

**5. Directors' emoluments**

There were no directors remunerated solely by the company in 2018 or 2017 consequently no directors received contributions towards money purchase pension schemes in 2018 or 2017. Some directors of the company are also directors of the ultimate parent company or fellow subsidiaries and receive remuneration directly from these companies. The directors do not believe that it is practicable to apportion their remuneration between their services as directors of the company and their services as directors of the holding and fellow companies.

**6. Other income**

Other gains of £17,000 (2017: £16,000) were generated in the year, following revaluation of its accounts payable, accounts receivable and bank balances held in foreign currency. In 2018, there was also exceptional gain on receipt of a significant USD payment from a client (£23,000).

**7. Staff costs**

The company had no UK employees (2017: nil). Staff cost is nil as all personnel are employed under the parent entity. Staff are contracted from the parent company based on business necessity and charged through administrative expenses.

**8. Tax on loss**

(a) The taxation credit is made up as follows:

	2018 £'000	2017 £'000
UK corporation tax	(21)	(20)
Tax on profit/(loss)	<u>(21)</u>	<u>(20)</u>

(b) Factors affecting current tax credit

The tax assessed on the loss for the year differs from the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are reconciled below:

**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2018**

	2018 £'000	2017 £'000
<b>Profit/(Loss) before income tax</b>	<b>5,478</b>	<b>(23)</b>
Profit/(Loss) before income tax multiplied by standard rate of corporation tax in the UK 19% (2017: 19.25%)	1,041	(4)
Effect of:		
Depreciation in excess of allowances	2	2
R&D tax adjustment	2	(20)
Losses surrendered for the year	-	2
Non-taxable income	(1,070)	-
Prior year adjustment	4	-
<b>Total tax credit for the year</b>	<b>(21)</b>	<b>(20)</b>

(c) Factors affecting current and future tax charges

The main rate of corporation tax is set at 19.00% for the years starting 1 April 2017, 2018 and 2019. Legislation to reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020 was included in the Finance (No 2) Act 2015. The government has announced a further reduction to the Corporation Tax main rate to 17% (for all profits except ring fence profits) for the year starting 1 April 2020.

There is no deferred tax impact within this company (2017: none).

**9. Tangible assets**

	Office Equipment £'000	Total £'000
Cost:		
At 1st January 2018	57	57
Additions	-	-
<b>At 31 December 2018</b>	<b>57</b>	<b>57</b>
Accumulated Depreciation:		
At 1st January 2018	25	25
Charge for the year	19	19
<b>At 31 December 2018</b>	<b>44</b>	<b>44</b>
Net Book Value:		
<b>At 31 December 2018</b>	<b>13</b>	<b>13</b>
At 31 December 2017	32	32

**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**  
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**10. Debtors**

	<b>2018</b>	2017
	<b>£'000</b>	£'000
Trade debtors	55	950
Corporation tax	132	167
Accrued revenue	186	(1)
	<u>373</u>	<u>1,116</u>

Based on management's assessment of the credit risk of the debtors balance, the IFRS 9 expected credit loss impact was highly immaterial and therefore no adjustment has been made.

**11. Creditors: amounts falling due within one year**

	<b>2018</b>	2017
	<b>£'000</b>	£'000
Trade creditors	23	-
Amounts owed to group undertakings	930	6,382
Accruals and deferred income	29	196
	<u>982</u>	<u>6,578</u>

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand. During the year, the company derecognised financial liabilities of £5,632,482 (2017: nil) relating to amounts owed to a group undertaking.

**12. Called up share capital**

	<b>2018</b>	<i>Authorised</i> 2017
	<b>No.</b>	<b>No.</b>
<i>Ordinary shares of £1 each</i>	<u>1</u>	<u>1</u>
	<i>Allotted and fully paid</i>	
	<b>2018</b>	2017
	<b>£'000</b>	£'000
1 (2017:1) ordinary share of £1	<u>-</u>	<u>-</u>

One ordinary share was issued for cash on incorporation.

**Cybernetix S.R.I.S. Limited (Registered number: 5961602)**  
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**13. Ultimate parent undertaking**

The company's immediate parent undertaking is Genesis Oil & Gas Consultants Limited.

The ultimate parent undertaking and controlling party is TechnipFMC Plc, a company incorporated in the United Kingdom, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. The consolidated financial statements of TechnipFMC plc are available for inspection at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM), and can also be found on the TechnipFMC website ([investors.technipfmc.com](http://investors.technipfmc.com)).