Registration number: 06030687

InfraStrata UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022

PKF Littlejohn LLP
Statutory Auditors
15 Westferry Circus
London
E14 4HD

InfraStrata UK Limited

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InfraStrata UK Limited

Company Information

Directors

Mr A S Raman

Mr J M Wood

Registered office

Fieldfisher LLP
Riverbank House
2 Swan Lane
London
EC4R 3TT

Accountants

Aventus Partners Limited
Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

Auditors

PKF Littlejohn LLP
Statutory Auditors
15 Westferry Circus
London
E14 4HD

InfraStrata UK Limited

Directors' Report for the Year Ended 31 December 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Strategic report exemption
This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies. The directors have taken exemption under 414B of the Companies Act 2006 not to disclose the strategic report.

Directors' of the Company
The directors, who held office during the year, were as follows:

Mr A S Raman

Mr J M Wood

All directors benefit from the provisions of individual directors' Personal Indemnity insurance policies.

Principal activity
The principal activity of the company is that of an intermediate holding and gas storage project research company.

Going concern
As explained in note 2, the financial statements have been prepared on the going concern basis. In assessing whether the going concern assumption is appropriate the Directors consider all information available for the foreseeable future in particular the 12 months from the date of the sign off of these financial statements. This information includes consideration of management prepared information both for the Company itself, its ultimate parent and the Group to which it belongs.

The Company is dependent on the support of its ultimate parent company (Harland & Wolff Group Holdings Plc "The Group") to continue in operational existence.

The Group is in advanced discussions with potential funders (both debt and equity) to raise additional funds. Whilst there is no indication at the date of signing of these financial statements that this financing will not be forthcoming, there can be no certainty that it will be successful.
Should the Company not be successful in raising these additional funds and continues to retain its current cost base, a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern.

The auditors have included material uncertainty in relation to going concern in the audit opinion.

Dividends
The directors do not propose the payment of any dividend.

Disclosure of information to the auditors
Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Post balance sheet events
Details on Post Balance Sheet Events are disclosed in note 11 of the Financial Statements.

Reappointment of auditors

The auditors PKF Littlejohn LLP are deemed to be reappointed under section 485 of the Companies Act 2006.

This report is approved by the Board on 27 October 2023 and signed on its behalf by:

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Mr A S Raman

Director

InfraStrata UK Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; 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 keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of InfraStrata UK Limited

We have audited the financial statements of InfraStrata UK Limited (the 'Company') for the year 31 December 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Company is reliant on financial support from the ultimate parent company to meet its funding needs as they fall due. The ability of the parent company to continue to meet its financial liabilities as they fall is subject to the successful completion of ongoing fundraising activities. As stated in Note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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.

Independent Auditor's Report to the Members of InfraStrata UK Limited (continued)

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Independent Auditor's Report to the Members of InfraStrata UK Limited (continued)

We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.

We determined the principal laws and regulations relevant to the company in this regard to be those arising from

- Companies Act 2006.
- United Kingdom Generally Accepted Accounting Practice
- UK Employment Laws and Health and Safety Regulations;
- UK Tax Laws;
- General Data Protection Regulations;
- Anti-Bribery Act;
- Anti-Money Laundering Regulations; and
- Environmental regulations

• We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to enquiries of management, enquiries of the in-house legal counsel, review of minutes, and review of legal expenses.

• We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls and revenue recognition, inappropriate application of the going concern assumption in the preparation of financial statements and management bias in determining key accounting estimates in relation to the carrying value of investments and recoverability of intercompany balances. We addressed this by challenging the estimates/judgements made by management when auditing these significant accounting estimates/judgements.

• As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of InfraStrata UK Limited (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work; for this report, or for the opinions we have formed.

Joseph Archer

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Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP, Statutory Auditor

15 Westferry Circus
London
E14 4HD

Date: 27 October 2023

InfraStrata UK Limited

Profit and Loss Account for the Year Ended 31 December 2022

	Note	12 Months to 31 December 2022 £	17 months to 31 December 2021 £
Turnover		-	-
Administrative expenses		(1,671)	(182)
Operating loss		(1,671)	(182)
Loss before tax		(1,671)	(182)
Tax on loss	5	-	-
Loss for the period		(1,671)	(182)

The notes on pages 13 to 24 form an integral part of these financial statements.

InfraStrata UK Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	12 Months to 31 December 2022 £	17 months to 31 December 2021 £
Loss for the period	(1,671)	(182)
Total comprehensive income for the period	(1,671)	(182)

There is no other comprehensive income in the period.

InfraStrata UK Limited

(Registration number: 06030687)
Balance Sheet as at 31 December 2022

	Note	31 December 2022 £	31 December 2021 £
Fixed assets			
Investments	6	200,352	200,352
Current assets			
Trade and other debtors	7	2,660,789	2,660,789
Cash at bank and in hand	8	83	155
		2,660,872	2,660,944
Creditors: Amounts falling due within one year	9	(11,303,698)	(11,302,099)
Net current liabilities		(8,642,826)	(8,641,155)
Net liabilities		(8,442,474)	(8,440,803)
Capital and reserves			
Called up share capital	10	157,782	157,782
Share premium reserve		15,610,514	15,610,514
Retained earnings		(24,210,770)	(24,209,099)
Shareholders' deficit		(8,442,474)	(8,440,803)

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

These financial statements were approved and authorised for issue by the board on 27 October 2023 and signed on its behalf by:

....

Mr A S Raman
Director

The notes on pages 13 to 24 form an integral part of these financial statements.

InfraStrata UK Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 August 2020	157,782	15,610,514	(24,208,917)	(8,440,621)
Loss for the period	-	-	(182)	(182)
Total comprehensive income	-	-	(182)	(182)
At 31 December 2021	157,782	15,610,514	(24,209,099)	(8,440,803)

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2022	157,782	15,610,514	(24,209,099)	(8,440,803)
Loss for the period	-	-	(1,671)	(1,671)
Total comprehensive income	-	-	(1,671)	(1,671)
At 31 December 2022	157,782	15,610,514	(24,210,770)	(8,442,474)

Share capital: This represents the nominal value of equity shares in issue.

Share premium: This represents the premium paid above the nominal value of shares in issue.

Retained earnings: This represents the accumulated profits and losses since inception of the business.

1 General information

The company is a private company limited by share capital, incorporated and domiciled in England and Wales.

The address of its registered office is:
Fieldfisher LLP
Riverbank House
2 Swan Lane
London
EC4R 3TT
United Kingdom

The principal place of business is:
18 King William Street
London
EC4N 7BP
United Kingdom

These financial statements were authorised for issue by the board on 27 October 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS101) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principle accounting policies applied by the Company in the preparation of these financial statements are set out below.

All accounting policies have been applied consistently, other than where new policies have been adopted.

The financial statements are presented in Sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

Consolidation

The financial statements contain information about the individual company and do not contain consolidated financial information as the parent of a group. The company is exempt from preparing group accounts under section 400 of the Companies Act 2006 since the company is a wholly owned subsidiary undertaking of Harland & Wolff Group Holdings Plc which prepares consolidated accounts.

2 Accounting policies (continued)

Financial reporting standard 101 - reduced disclosure exemptions

The company has applied disclosure exemptions available in the standard in the following areas:

- IFRS 2 disclosures regarding share based payments
- IFRS 7 disclosures regarding financial instruments;
- IFRS 13 disclosures on fair value measurement;
- IAS 1 requirement to disclose the company's objectives, policies and processes for managing capital;
- IAS 7 requirement to produce a statement of cash flows and related notes;
- IAS 8 requirement to disclose information about the impact of standards not yet effective;
- IAS 24 requirements in respect of disclosing remuneration of key management personnel and intragroup transactions.

Going concern

The financial statements have been prepared on a going concern basis.

In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial statements and perform scenario planning thereon. This information includes parental support, management prepared cash flows forecasts (for the larger Group to which both the Company and its Parent belongs).

The Directors have assessed that to meet its forecasted cash requirements, the Company is dependent on the financial support from the ultimate parent company (Harland & Wolff Group Holdings Plc – "the Group"). The directors have noted that the Group has, through its' operating entities, secured significant new contract wins. In order to successfully execute these new contracts, the Group needs to secure additional financing and is in discussions with potential funders (both debt and equity) to raise the required funds. Whilst there is no indication at the date of signing of these financial statements that this financing will not be forthcoming, there can be no certainty that it will be successful.

Based on the recent new contracts wins, significant prospective customer pipeline and activities underway to securing new funding, the Directors are confident that the ultimate parent company will be able to generate sufficient resources to support both itself and the Company to meet liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly, the financial statements have been prepared on a going concern basis and do not include any adjustments that would result if the Company was unable to continue as a going concern.

As with any company placing reliance on the financial support, the Directors of the Company acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that support would not be provided, nor that the fundraising activities of the parent will not be successful.

The auditors make reference to going concern by way of material uncertainty within their audit report.

2 Accounting policies (continued)

Changes to accounting policies, disclosures, standards and interpretations

(a) New and amended standards adopted by the Company

There were no new International Financial Reporting Standards that were applicable for the current reporting period that materially impacted the Company.

(b) New standards not yet adopted

There are no new International Financial Reporting Standards and Interpretations issued but not effective for the reporting year ending 31 December 2022 that will materially impact the Company.

Revenue

Revenue represents income derived from contracts for the provision of goods and services, over time or at a point in time, by the Company to customers in exchange for consideration in the ordinary course of the Company's activities.

Performance Obligations

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Goods and services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract.

The Company provides warranties to its customers to give them assurance that its products and services will function in line with agreed-upon specifications. Warranties are not provided separately and, therefore, do not represent performance obligations.

Revenue Recognition

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer.

For each performance obligations within a contract the Company determines whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if one of the following criteria is satisfied:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs;
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and it has an enforceable right to payment for performance completed to date.

The Company has determined that most of its contacts satisfy the overtime criteria, either because the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs or the Company's performance does not create an asset with an alternative use to the Company and it has an enforceable right to payment for performance completed to date.

2 Accounting policies (continued)

For each performance obligation recognised over time, the Company recognises revenue using an input method, based on costs incurred in the period. Revenue and attributable margin are calculated by reference to reliable estimates of transaction price and total expected costs, after making suitable allowances or technical and other risks. Revenue and associated margin are therefore recognised progressively as costs are incurred, and as risks have been mitigated or retired. The Company has determined that this method appropriately depicts the Company's performance in transferring control of the goods and services to the customer. If the overtime criteria for revenue recognition is not met, revenue is recognised at the point in time that control is transferred to the customer which is usually when legal title passes to the customer and the business has the right to payment.

When it is expected that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

Transaction price

At the start of the contract, the total transaction price is estimated as the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods and services to the customer, excluding sales taxes. Variable consideration, such as price escalation, is included based on the expected value or most likely amount only to the extent that it is highly probable that there will not be a reversal in the amount of the cumulative revenue recognised. The transaction price does not include estimates of consideration resulting from contract modifications, such as change orders, until they have been approved by parties to the contract. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative stand-alone selling prices. Given the nature of many of the Company's products and services, which are designed and/or manufactured under contract to customers' individual specifications, there are typically no observable stand-alone selling prices. Instead, stand-alone selling prices are typically estimated based on expected costs plus contract margin consistent with the Company's pricing principles.

Whilst payment terms vary from contract to contract, an element of the transaction price may be received in advance of delivery. The Company may therefore have contract liabilities depending on the contracts in existence at a period end. The Company's contracts are not considered to include significant financing components on the basis that there is no difference between the consideration and the cash selling price.

Foreign currency transactions and balances

In preparing the Financial Statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising, if any, are recognised in profit or loss.

profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

2 Accounting policies (continued)

Tax

Tax expense represents the sum of the tax currently payable and any deferred tax. The taxable result differs from the net result as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax liability is calculated using tax rates that have been enacted or substantively enacted by the Balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable

Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current assets and liabilities on a net basis.

Investments

Investments in subsidiaries are stated at cost less provision for impairments. Impairments are assessed based on the expected future cash flows of the investee businesses or, if more appropriate, by reference to the nets assets of the investees.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. *If collection is expected in one year or less (or in the normal operating cycle of the business if longer),* they are classified as current assets. If not, they are presented as fixed assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the trade debtors.

2 Accounting policies (continued)

Trade payables
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Financial instruments

Initial recognition
Financial assets and liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company currently does not use derivative financial instruments to manage or hedge financial exposures or liabilities.

Classification and measurement

Financial assets at amortised cost
The financial assets currently held by the Company are classified as financial assets held at amortised cost. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment under the expected credit loss model.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets.

The amount of the expected credit loss is measured as the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that are expected to be received (i.e. all cash shortfalls), discounted at the original effective interest rate (EIR).

The carrying amount of the asset is reduced through use of allowance account and recognition of the loss in the profit and loss account. Allowances for credit losses on financial assets are assessed collectively. Collectively assessed impairment allowances cover credit losses inherent in portfolios of financial assets with similar credit risk characteristics when there is objective evidence to suggest that they contain impaired financial assets, but the individual impaired items cannot yet be identified.

In assessing collective impairment, the Company uses information including historical trends in the probability of default (although this is limited given the relatively short trading history of the Company), timing of recoveries and the amount of expected loss, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical evidence. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

2 Accounting policies (continued)

IFRS 9 suggests the use of reasonable forward-looking information to enhance ECL models. The Company incorporates relevant forward-looking information into the loss provisioning model.

Financial assets at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents include cash in hand and amounts held on short term deposit. Any interest earned is accrued monthly and classified as finance income. Short term deposits comprise deposits made for varying periods of between one day and three months.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Financial liabilities at amortised cost
The Company classifies its financial liabilities into one category, being other financial liabilities measured at amortised cost.

The Company's accounting policy for the other financial liabilities category is as follows:
Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. All interest and other borrowing costs incurred in connection with the above are expensed as incurred and reported as part of financing costs in profit or loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the asset and substantially all the risk and rewards of ownership of the asset to another entity.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the obligations are discharged, cancelled or they expire.

3 Critical accounting judgements and key sources of estimation uncertainty

Amounts included in the financial statements involve the use of judgement and/or estimation. These estimates and judgements are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements.

Valuation of Investments and Intercompany Balances
Management make judgements in respect of the valuation of Investments and carrying value of assets. When facts or circumstances suggest that impairment exists, a formal estimate of recoverable amount is performed, and an impairment loss recognised to the extent that the carrying amount exceeds recoverable amount. Recoverable amount is determined to be the higher of fair value less costs to sell and value in use. Management reviewed projections for subsidiary companies when considering impairment and believe that the carrying value of the assets a true and fair reflection of the assets that are currently being used in operations and there are no indications of impairment.

4 Directors and employees

The average monthly number of persons employed by the company during the year, analysed by category was as follows:

	12 Months to 31 December 2022 No.	17 months to 31 December 2021 No.
Administration and support	2	2

The directors received no remuneration from the company during the year as they are remunerated by the ultimate parent undertaking for their services to the group as a whole.

5 Income tax

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2021: the same as the standard rate of corporation tax in the UK) of 19% (2021: 19%).

The differences are reconciled below:

	12 Months to 31 December 2022 £	17 months to 31 December 2021 £
Loss before tax	(1,671)	(182)
Corporation tax at standard rate	(317)	(35)
Increase from effect of unrelieved tax losses carried forward	317	35
Total tax charge/(credit)	-	-

The company has cumulative trading losses carried forward of £649,774 (2021: £648,103) which may reduce future tax charges.

No balance is recognised due to the uncertainty of future results.

Deferred tax
No deferred tax asset has been recognised due to uncertainty as to when profits will be generated against which to relieve said asset.

6 Investments

Subsidiaries

	£
Cost	
At 1 August 2020	200,453
Disposals	(101)
At 31 December 2021	200,352
At 1 January 2022	200,352
At 31 December 2022	200,352
Carrying amount	
At 31 December 2022	200,352
At 31 December 2021	200,352

Details of the subsidiaries as at 31 December 2022 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held 2022	2021
Islandmagee Energy Limited*	Gas storage and energy	8 Portmuck Road Islandmagee County Antrim BT40 3TW Northern Ireland	Ordinary	100%	100%
Islandmagee Energy Hub Limited*	Dormant	8 Portmuck Road Islandmagee County Antrim BT40 3TW Northern Ireland	Ordinary	100%	100%
InfraStrata Energy UK Limited*	Dormant	Fieldfisher Riverbank House 2 Swan Lane London EC4R 3TT England and Wales	Ordinary	100%	100%

* indicates direct investment of the company

7 Trade and other debtors

	Note	31 December 2022 £	31 December 2021 £
Amounts due from group undertakings	12	2,660,789	2,660,789
		2,660,789	2,660,789

The loans due from group companies are interest free, unsecured and there are no fixed terms of repayment. The ability of the fellow subsidiary to repay its debt is dependent on the continuing support of the parent company - see note 2.

8 Cash at bank and in hand

	31 December 2022 £	31 December 2021 £
Cash at bank	83	155

9 Creditors: amounts falling due within one year

	Note	31 December 2022 £	31 December 2021 £
Amounts due to group undertakings	12	11,303,664	11,302,064
Other creditors		34	35
		11,303,698	11,302,099

The loans due to group companies are interest free, unsecured and there are no fixed terms of repayment. The movement in the year arises from additional funding provided to the company by the ultimate parent undertaking.

10 Share capital

Allotted, called up and fully paid shares

	31 December 2022		31 December 2021	
	No.	£	No.	£
Ordinary shares of £0.01 each	15,778,196	157,782	15,778,196	157,782

Authorised share capital

The Company's articles do not specify an authorised share capital.

11 Post balance sheet events

In August 2023 we have been advised in relation to the judicial review of the Company's Gas Storage Project, the judgement has been made in favour of Harland and Wolff Group Holdings plc. The Company will now assess this judgement in detail and consider the appropriate next steps factoring in the findings of the judgement and the interests of Harland & Wolff's stakeholders.

12 Parent and ultimate parent undertaking

The ultimate parent is Harland & Wolff Group Holdings Plc, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Harland & Wolff Group Holdings Plc. These financial statements are available upon request from

Fieldfisher LLP
Riverbank House
2 Swan Lane
London EC4R 3TT
United Kingdom

There is no ultimate controlling party of Harland & Wolff Group Holdings Plc.

13 Auditors Remuneration

Audit fees will be paid by the ultimate parent company and will not be recharged to the company.