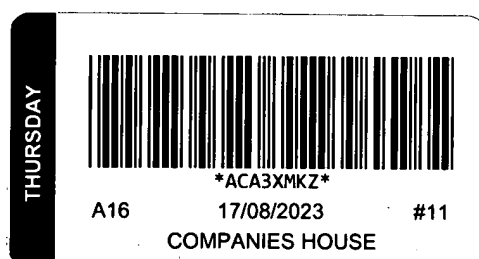


**Archer Assets UK Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2022**

**Registered Number 06370628**



# **Archer Assets UK Limited**

## **Annual report and financial statements**

### **for the year ended 31 December 2022**

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# **Archer Assets UK Limited**

## **Directors and Advisors**

### **Directors**

E Joranger

A Todd

### **Secretary**

Burness Paull

Union Plaza

1 Union Wynd

ABERDEEN

AB10 1DQ

### **Independent auditors**

PricewaterhouseCoopers LLP

The Capitol

431 Union Street

Aberdeen

AB11 6DA

### **Solicitors**

Burness Paull

Union Plaza

1 Union Wynd

ABERDEEN

AB10 1DQ

### **Bankers**

Danske Bank

London Branch

75 King William Street

LONDON

EC4N 7DT

# Archer Assets UK Limited

## Strategic report for the year ended 31 December 2022

The directors present their strategic report on Archer Assets UK Limited ("the Company") for the year ended 31 December 2022.

### Review of Business

Archer Assets UK Limited is a wholly owned subsidiary of Archer Limited (Bermuda), a global oilfield service company incorporated in Bermuda. The Company's principal activity is that of a holding company. The wholly owned subsidiaries of Archer Assets UK Limited comprise the drilling and well services operations of the Archer group (the "Group"). The Company provides finance to some of its subsidiaries.

As at 31 December 2022 the Company had drawn down \$410m (2021: \$335m) from the Group external loan facility. See note 16 for further information. In April 2023 the Group successfully renegotiated the refinancing for the Group, further details of this can be found on the Group's website ([www.archerwell.com](http://www.archerwell.com)).

During the year the Company issued 2,300,000 new ordinary shares with a par value of \$1 each for \$100 per share.

The results of the Company are dependent on the results of the subsidiary companies in which the Company holds investments.

The directors have reviewed the carrying value of the investments and have concluded that an impairment of \$5.7 million (2021: \$83.9m) is necessary for the year ended 31 December 2022.

### Going Concern

The Company is reliant upon support from the ultimate parent company Archer Limited (Bermuda) in order to fund its activities. The Group has undertaken to ensure adequate funds will be made available to the Company to enable it to meet its liabilities as they fall due and to carry on its business without curtailment of any operations for a period of at least 12 months after the date of approval of these financial statements. The banking facility which was in place at the year end ran until October 2023. The directors of the Group have successfully renegotiated the refinancing for the Group effective 25<sup>th</sup> April 2023 which will ensure necessary funds are available for future activities. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

### Results and transfers to reserves

The loss for the financial year amounted to USD 27.6 million (2021: loss of USD 98.5 million) and will be transferred to reserves. At 31 December 2022 total equity amounted to USD 242.7 million (2021: USD 40.3 million), comprising share capital and share premium of USD 1,710.7 million (2021: USD 1,480.7 million), and accumulated losses and other reserves amounting to USD 1,468 million (2021: USD 1,440.4 million).

### Statement by the directors in performance of their statutory duties in accordance with Section 172(1) Companies Act 2006

S172(1) states that the directors of the Company must act in the way they consider would be the most likely to promote the success of the Company for the benefit of its members. Decisions concerning strategy and operational matters are made by the directors to promote the long term performance and growth of the Company, and as such will always take into consideration the impact on employees, relationships with clients and suppliers, the community and environment, and our business conduct.

### Employees

Archer's employees are crucial to the success of the Company, and the Company makes significant investment in the recruitment, training and retention of our people. A significant portion of our activity in the UK is dependent on the skills and expertise of our employees, and as such Archer regularly engages with its employees in a number of forums to ensure the welfare of our people. Town Hall meetings, as well as formal and informal department meetings are regularly held, and a number of communication channels exist for employees to engage with line managers and senior management.

# Archer Assets UK Limited

## Strategic report for the year ended 31 December 2022 (continued)

We invest heavily in training our employees, both for general job-related competence and for discipline specific skills with the objective of ensuring safe delivery of services to clients, and to enhance the skills and competence of our employees.

### *Business relationships*

We engage with our major clients on a daily basis at an operational management level both onshore and offshore. We also meet regularly with clients in a formal manner to review safety and performance, and to collectively discuss how to improve delivery of services. We have regular interaction at the most senior levels in our and our clients' operations and have open lines of communication with our clients at director level.

For suppliers we are committed to fair treatment of all our partners in the supply chain. We regularly engage with our suppliers to ensure we have a common strategic focus for delivering services to our clients. We are committed to fair payment terms for our suppliers and regularly highlight the importance of exercising regular payments at industry forums. We seek to respond to all supplier queries in a timely manner.

### *Community and the environment*

The Company regularly engages with the local community on a number of initiatives and sponsorships. These are focussed on causes which are local to our onshore UK base, or causes which are linked in some way to our employees.

Details of environmental and social governance across the group can be found on the group's website. This sets out the policies and control processes in place for effective management of sustainability related factors and our focus on environmental factors. In particular, the Company has the following procedures in place

- Emissions reduction and waste recycling targets for onshore operations
- A number of energy saving initiatives such as low energy lighting activated by motion sensors
- Procedures for dealing with chemical and hazardous waste

### *Business conduct*

The directors are focussed on upholding the highest levels of integrity and ethics in all matters.

### *Safety*

Safety is at the core of everything we do, onshore and offshore. The environment in which we work on offshore installations has inherent health and safety risks. These must be managed to safeguard the crews, assets and the environment in which we operate. Archer's HSE philosophy is to establish and maintain an incident free workplace where accidents, injuries or losses are always seen as preventable. To accomplish this Archer employs The Compass, our ISO certified Management System. The purpose of this management system is to act as a top level governing document in the Company. The directors are responsible for the management system and the responsibility is delegated down to all managers and process owners. The line management is responsible for ensuring that all employees adhere to and act in accordance with the management system. All employees are responsible for the adherence to the management system and contribution to its continuous improvement. External and internal audits, verifications, inspections and management visits offshore are carried out to measure compliance with Company, client, and legal requirements. The outcome of the audits and inspections is used in the preparation of the annual QHSE Focus Plans developed on a business unit and installation level. The annual QHSE Focus Plans include project specific goals, but will also reflect common Archer goals. Results are monitored constantly and systematically.

### *Business Ethics and Business Transparency*

At Archer, integrity is one of our core values and conducting our business honestly, lawfully, and ethically is fundamental to our continued success. Integrity drives everything we do and is critical to upholding our reputation in the marketplace. The directors take a zero tolerance approach to bribery and corruption. The directors expect and require that all our employees, contractors, suppliers, partners and clients observe the highest standards of integrity when conducting business. Appropriate risk-based communication and training on bribery, corruption, and our Code of Conduct is provided to employees and business partners as part of their on-boarding and ongoing development. Any suspected deviation from our policies, Code of Conduct, or any applicable laws, rules, or regulations is to be reported in accordance with the Code of Conduct, through line

# Archer Assets UK Limited

## Strategic report for the year ended 31 December 2022 (continued)

management or by submitting a complaint through our whistle-blower hotline and are reported to the Group's Audit Committee on a quarterly basis.

Archer's management system and due diligence procedures for assessing and managing corruption risks internally and associated with business partners are as set forth in the following policies:

- **Code of Conduct:** sets forth the expectations and requirements from Archer's management to all Archer employees and contractors. This includes accounting and financial reporting, corruption and bribery, conflicts of interest, facilitation payments, gifts and entertainment, international sanctions, insider trading, export controls, competition and antitrust, political contributions, and whistleblowing and reporting.
- **Authority Matrix:** sets forth the approval limits from the board of directors of Archer Limited to the employees of Archer in each subsidiary (including the Company), including assuming risk in relation to tendering and entering into joint ventures, and third party representation agreements.
- **Archer's Supplier Approval Procedure:** sets forth the approval, due diligence, and quality control process suppliers must undergo in our supply chain before they are approved suppliers, including adherence to our Code of Conduct.
- **Archer's Procedures for the Retention of Third Party Representatives:** sets forth an approval and due diligence process before any third party representative may act on behalf of Archer anywhere we do business (including our diligence questionnaires, compliance declarations, and business case evaluation tools).
- **Archer Contract Procedure:** sets forth a detailed threshold of contractual risk, above which executive approval is required.
- **Archer Employee Handbook:** every employee of Archer is subject to the Employee Handbook. It addresses equal opportunity, harassment and bullying, collective agreements, performance management, grievance procedures, and adherence to the Code of Conduct.

### Key performance indicators (KPIs)

The operations of the Company are managed on a divisional basis. The Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development or position of the business.

### Principal risks and financial risks

#### *Currency risk*

The Company's reporting currency is US Dollars. The Group's subsidiaries have operations and assets in a number of countries worldwide, and generate revenues and incur expenditures in other currencies, causing their results from operations to be affected by fluctuations in currency exchange rates, primarily relative to the Norwegian krone, Argentine peso and British pound.

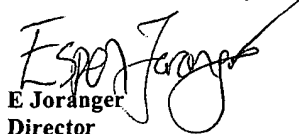
#### *Interest rate risk*

The Company's exposure to interest rate risk relates mainly to its funding. The Group policy is to obtain the most favourable interest rate on borrowings available without increasing foreign currency exposure. There is thus a risk currency and interest rate fluctuations will have a negative effect on cash flows and may result in investments in group undertakings being impaired.

#### *Market risk*

The value of the company's investments is closely linked to the commodity price for oil and gas globally. A reduction in global oil prices is likely to result in less demand for oilfield services provided by Group companies. The Company's investments in Group undertakings may be subject to impairments in the event of a future drop in global oil prices.

On behalf of the board, on 27 June 2023



E Joranger  
Director

# Archer Assets UK Limited

## Directors' report for the year ended 31 December 2022

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

### Future developments

No significant change in the Company's operations is expected in the foreseeable future.

### Political donations

There were no political donations made in 2022 (2021: nil).

### Financial risk management

Archer (UK) Limited's financial risk management are as described in the Strategic Report.

### Employees

Archer (UK) Limited's employees' policies are as described in the Strategic Report.

### Dividends

The directors do not recommend the payment of a dividend (2021: nil).

### Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements are listed below:

E. Joranger

A. Todd

### Streamlined Energy & Carbon Reporting

The directors present their Streamlined Energy & Carbon Report ("SECR") for the year ended 31 December 2022.

GHG Protocol Scope	Emissions Reported	2022	2021
Scope 1 emissions (a)	Emissions from owned company vehicles (d)	2.6	6.9
	Emissions from vehicles hired by the company (d)	15.2	18.8
Scope 2 emissions (b)	Electricity consumed (e)	110.7	93.3
	Gas consumed (f)	54.7	51.7
Scope 3 emissions (c)	Business travel by air from UK (g)	419.8	322.2
	Business travel by vehicle by onshore staff (g)	7.0	1.0
	Travel to and from heliport by offshore crew (g)	152.9	164.5
	Travel to courses & medicals by offshore crew (g)	20.6	13.6
	Delivery of goods by transportation company (g)	37.2	8.8
Total CO <sub>2</sub> e (tonnes)		820.7	680.8
Intensity ratio	Turnover (£m)	67.9	74.4
	Total CO <sub>2</sub> e per £m turnover	12.09	9.15

### Notes

- a) Scope 1 (direct) GHG emissions are from activities owned or controlled by the Company. This consists of company owned and hired vehicles.
- b) Scope 2 (energy indirect) emissions are emissions released into the atmosphere associated with the Company's consumption of electricity and gas.
- c) Scope 3 (other indirect) emissions cover emissions from business travel and travel by offshore employees to and from the heliport in connection with their mobilisation to offshore installations
- d) Based on litres of fuel consumed
- e) Based on meter readings in Blackburn facility, converted to KWH
- f) Based on meter readings in Blackburn facility, converted to M<sup>3</sup> of gas consumed
- g) Data collected based on actual flights
- h) Mileage figures based on actual mileage, assumed carried out in a medium sized vehicle

## Archer Assets UK Limited

### Directors' report for the year ended 31 December 2022 (continued)

*All (CO<sub>2</sub>e tonnes) data is calculated based on Department for Business, Energy and Industrial Strategy conversion factors and methodology*

*All data relates to UK*

The total CO<sub>2</sub>e per £m turnover has increased from the prior year. This is due to an increase in business travel back to expected levels; in 2021 business travel was low due to the travel restrictions due to the pandemic.

#### Streamlined Energy & Carbon Reporting (continued)

Waste Type	2022	2021
Non-hazardous recycling (a)	9.8	6.4
Hazardous recycling (b)	3.1	1.4
Recovered waste (c)	8.6	8.5
Waste to energy (d)	10.2	29.4
Chemical effluent (e)	107.4	33.9
Landfill (f)	1.8	6.1
<b>Total (tonnes)</b>	<b>140.9</b>	<b>85.7</b>

#### Notes

*a) General waste recycled*

*b) Hazardous waste recycled*

*c) Material treated to remove recyclable elements; residual material treated chemically and/or mechanically*

*d) Material treated via incineration, gasification or bio-mass to provide energy*

*e) Material treated via biological and mechanical processes prior to discharge*

*f) Material sent to landfill*

The Company has been measuring its energy consumption and management of waste generated for several years and is continually seeking ways of reducing energy consumed and non-recyclable waste. The Company has a number of initiatives to address these objectives. Some of the key projects implemented and ongoing are as follows:

- Automatic cut out of warehouse heating when external doors are open
- Addition of shutters to warehouse roof fans to reduce heat loss when fans are not operational
- Replacement of office and warehouse fluorescent lighting with LED fittings
- Replacement of disposable latex gloves with biodegradable alternatives
- Replacement of disposable water cups with biodegradable alternatives

The Company has also trialled operational improvements which reduces the Company's CO<sub>2</sub> emissions. The Company continues to trial the following two key developments:

- Implementation of Integrated Operations whereby running downhole tools is supervised from onshore
- Use of Virtual Reality goggles for offshore competency assessments and technical support

Both these initiatives reduce or replace the need for personnel to mobilise offshore.



# Archer Assets UK Limited

## Directors' report for the year ended 31 December 2022 (continued)

### 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 102 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.

### Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

### Statement of disclosure of information to the auditors

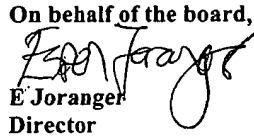
In the case of each director in office at the date the directors' report, it is approved, that:

- a) So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware: and
- b) They have taken all the steps they ought to have taken as directors 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.

On behalf of the board, on 27 June 2023

  
E Joranger  
Director

# **Independent auditors' report to the members of Archer Assets UK Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Archer Assets UK Limited's 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 (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Balance sheet as at 31 December 2022; the Statement of comprehensive loss 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.

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

# Archer Assets UK Limited

## Independent auditors' report to the members of Archer Assets UK Limited (continued)

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 2022 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 tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. 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 posting of inappropriate manual journals to increase turnover and profitability. Audit procedures performed by the engagement team included:

## Archer Assets UK Limited

### Independent auditors' report to the members of Archer Assets UK Limited (continued)

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Identifying and testing journal entries, in particular any journal entries posted by unusual account combinations impacting turnover and profitability;
- Reading minutes of meetings of those charged with governance; and
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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.

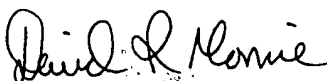
### Other required reporting

#### 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.



David R Morrice (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Aberdeen

27 June 2023

## Archer Assets UK Limited

### Statement of comprehensive income for the year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
Turnover	5	1,425	16,012
Administrative expenses		(3,443)	(2,323)
<b>Operating (loss)/profit</b>	6	<b>(2,018)</b>	13,689
<b>(Loss)/profit before interest and taxation</b>		<b>(2,018)</b>	13,689
Amounts written off investments		(5,677)	(83,852)
Debt with fellow subsidiary written off	9	(731)	(7,550)
Interest receivable and similar income		2,998	60
Interest payable and similar expenses		(23,396)	(21,794)
<b>Loss before taxation</b>		<b>(28,824)</b>	(99,447)
Tax on loss	8	1,185	938
<b>Loss for the financial year</b>		<b>(27,639)</b>	(98,509)

All activities relate to continuing operations.

The notes on pages 17 to 28 form part of these financial statements

# Archer Assets UK Limited

## Balance sheet as at 31 December 2022

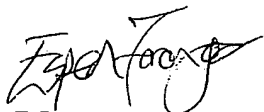
	Note	2022 \$'000	2021 \$'000
<b>Fixed Assets</b>			
Shares in group undertakings	10	436,029	441,706
Loans to Group undertakings	11	195,106	683
		<b>631,135</b>	<b>442,389</b>
<b>Current Assets</b>			
Cash at bank and in hand		11,118	-
Amounts owed by Group undertakings	12	18,084	641
Debtors (including \$1,753,146 (2021: \$2,497,000) amounts falling due after more than one year)	13	2,815	3,568
		<b>32,017</b>	<b>4,209</b>
<b>Creditors: amounts falling due within one year</b>			
Amounts owed to Group undertakings	14	1,714	5,964
Creditors	15	409,796	12,097
<b>Net current assets / (liabilities)</b>		<b>(379,493)</b>	<b>(13,852)</b>
<b>Total Assets less current liabilities</b>		<b>251,642</b>	<b>428,537</b>
<b>Creditors: amounts falling due after more than one year</b>	16	<b>8,961</b>	<b>388,217</b>
<b>Net assets</b>		<b>242,681</b>	<b>40,320</b>
<b>Capital and reserves</b>			
Called up share capital	17	122,403	120,103
Share premium account		1,588,301	1,360,601
Other reserves	18	3,299	3,299
Accumulated losses		(1,471,322)	(1,443,683)
<b>Total equity</b>		<b>242,681</b>	<b>40,320</b>

## **Archer Assets UK Limited**

### **Balance sheet as at 31 December 2022 (continued)**

The notes on pages 17 to 28 form part of these financial statements.

The financial statements on pages 13 to 28 were approved by the board of directors on 27 June 2023 and were signed on its behalf by:



**E Joranger**  
**Director**

**Archer Assets UK Limited**

**Registered number 06370628**

## Archer Assets UK Limited

### Statement of changes in equity for the year ended 31 December 2022

	Called up share capital	Share premium account	Other reserves	Accumulated losses	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2021</b>	<b>119,103</b>	<b>1,261,601</b>	<b>3,299</b>	<b>(1,345,174)</b>	<b>38,829</b>
Loss and total comprehensive expense for the financial year	-	-	-	(98,509)	(98,509)
Issue of Ordinary A shares	1,000	99,000	-	-	100,000
<b>Balance at 31 December 2021</b>	<b>120,103</b>	<b>1,360,601</b>	<b>3,299</b>	<b>(1,443,683)</b>	<b>40,320</b>
Loss and total comprehensive expense for the financial year	-	-	-	(27,639)	(27,639)
Issue of Ordinary A shares	2,300	227,700	-	-	230,000
<b>Balance at 31 December 2022</b>	<b>122,403</b>	<b>1,588,301</b>	<b>3,299</b>	<b>(1,471,322)</b>	<b>242,681</b>



# **Archer Assets UK Limited**

## **Notes to the financial statements for the year ended 31 December 2022**

### **1 General information**

The Company is a holding company. The wholly owned subsidiaries of Archer Assets UK Limited comprise the drilling and well services operations of the Archer Group.

The Company is a private company, limited by shares and is incorporated and domiciled in England. The address of its registered office is New Kings Court Tollgate, Chandler's Ford, Eastleigh, Hampshire, UK, SO53 3LG.

### **2 Statement of compliance**

The individual financial statements of Archer Assets UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 ("FRS 102"), "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" and the Companies Act 2006.

### **3 Principal accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. The financial statements for the year ended 31 December 2022 comply with FRS 102.

#### **Basis of preparation**

The financial statements have been prepared under the historical costs convention, on a going concern basis, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Certain amounts in prior years' financial statements have been reclassified to conform to the current year's presentation.

The preparation of financial statements in conformity with FRS 102 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 disclosed in note 4.

#### **Financial instruments**

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### **1. Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### **2. Financial liabilities**

Basic financial liabilities, including trade and other payables, and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

# Archer Assets UK Limited

## Notes to the financial statements for the year ended 31 December 2022

### 3 Principal accounting policies (continued)

#### Financial instruments (continued)

Trade payables 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 payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### Going Concern

The Company is reliant upon support from the ultimate parent company Archer Limited (Bermuda) in order to fund its activities. The Group has undertaken to ensure adequate funds will be made available to the Company to enable it to meet its liabilities as they fall due and to carry on its business without curtailment of any operations for a period of at least 12 months after the date of approval of these financial statements. The banking facility which was in place at the year end ran until October 2023. The directors of the Group have successfully renegotiated the refinancing for the Group effective 25<sup>th</sup> April 2023 which will ensure necessary funds are available for future activities. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

A summary of the principal accounting policies, which have been applied consistently, is set out below.

#### Group Financial Statements

The Company is exempt from preparing consolidated financial statements in accordance with Section 401 of the Companies Act 2006. The financial statements of the Company are included within the consolidated financial statements of its immediate parent company, Archer Limited (Bermuda) which can be obtained from [www.archerwell.com/investor-relations/annual-reports](http://www.archerwell.com/investor-relations/annual-reports).

#### Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of comprehensive loss, except to the extent that it relates to items recognised in other comprehensive loss or directly in equity. In this case tax is also recognised in other comprehensive loss or directly in equity respectively.

#### Current tax

Current tax is the amount of income tax in respect of the taxable loss for the year. Tax is calculated based on tax rates and laws that have been enacted or substantively enacted by the year end.

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable loss and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discountable basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## **Archer Assets UK Limited**

### **Notes to the financial statements for the year ended 31 December 2022**

#### **3 Principal accounting policies (continued)**

##### **Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the Statement of comprehensive loss.

##### **Dividends**

Dividends on ordinary shares are not recognised as a liability or charged to equity until they have been declared.

##### **Turnover**

Dividend income is credited to the Statement of Comprehensive Loss when the dividend has been approved by the board of directors of the Company making the dividend payment.

##### **Investments**

Shares in Group and Associate undertakings are included in the balance sheet of the Company at cost less provision for impairment. The Company performs impairment reviews in respect of its investments whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than its carrying amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the investment for which the estimates of future cash flows have not been adjusted.

##### **Related party transactions**

The Company discloses transactions with related parties which are not wholly owned by the same group. It does not disclose transactions with members of the same group that are wholly owned.

##### **Cash flow**

The Company is exempt from the requirement to prepare a cash flow statement, under FRS 102 paragraphs 1.11 and 1.12, as its ultimate parent, Archer Limited (Bermuda), publishes a consolidated cash flow statement.

**Archer Assets UK Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**4 Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions**

*Impairment of investments:*

The directors perform an impairment review of the carrying value of the shares in group undertakings on an annual basis. Where impairment triggers are identified, the Company compares the carrying value of the investment to the higher of fair value less costs of disposal and value in use. Cash flow projections are based on management's estimates of economic and market conditions that drive key assumptions of revenue growth rates, operating margins and capital expenditures. The discount rate is based on our specific risk characteristics, its weighted average cost of capital and its underlying forecasts. There are inherent risks and uncertainties involved in the estimation process, such as determining growth and discount rates.

**5 Turnover**

Turnover comprises dividends received from Group companies. Turnover for 2022 was \$1.4m (2021: \$16.0m).

**6 Operating (loss)/profit**

	2022	2021
	\$'000	\$'000
Operating (loss)/profit is stated after charging:		
Exchange losses	1,023	15
Auditors' fees – costs of audit of the company's financial statements	12	13

**7 Directors' emoluments and employee information**

The directors neither received nor waived any emoluments from the Company during the year or during the prior year. The directors of the Company are also directors of fellow subsidiaries in the group and receive remuneration directly from these companies. The directors do not believe it is practicable to apportion their remuneration in a reasonable manner between their services as directors of the company and their services as directors of fellow subsidiary companies.

The Company has no employees for the year ended 31 December 2022 (2021 – nil).

**Archer Assets UK Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**8 Tax on Loss**

	2022	2021
	\$'000	\$'000
<b>Tax on loss</b>		
UK corporation tax at 19% (2021: 19%)	(1,117)	(980)
Adjustments in respect of prior years	(68)	42
<b>Total tax on loss</b>	<b>(1,185)</b>	<b>(938)</b>
	2022	2021
	\$'000	\$'000
Loss before taxation	(28,824)	(99,447)
Loss before taxation multiplied by the standard rate of tax in the UK of 19% (2021: 19%)	(5,477)	(18,895)
Effects of:		
Items not deductible for tax purposes	4,360	17,915
Adjustments in respect of prior years	(68)	42
<b>Tax credit for the year</b>	<b>(1,185)</b>	<b>(938)</b>

The tax assessed for the year is higher (2021: higher) than the standard effective rate of corporation tax in the UK of 19% (2021: 19%).

**Archer Assets UK Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**9 Debt with fellow subsidiary written off**

In December 2022 receivable balances between Archer Assets UK Limited and DLS Argentina Limited were written off as part of a group restructuring project. This resulted in a charge to the profit and loss account of \$731,091 (2021 - \$7,550,059).

**10 Shares in group undertakings**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening cost at 1 January	<b>1,915,361</b>	<b>1,885,011</b>
Additions during year	<b>-</b>	<b>30,350</b>
<b>Closing cost at 31 December</b>	<b>1,915,361</b>	<b>1,915,361</b>
Opening impairment at 1 January	<b>(1,473,655)</b>	<b>(1,389,803)</b>
Provision for impairment for year	<b>(5,677)</b>	<b>(83,852)</b>
<b>Total impairment at 31 December</b>	<b>(1,479,332)</b>	<b>(1,473,655)</b>
<b>Net carrying value at 31 December</b>	<b>436,029</b>	<b>441,706</b>

**Archer Assets UK Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**10 Shares in group undertakings (continued)**

The following table lists Archer Asset UK Limited's interests in subsidiary undertakings:

Name of undertaking	Address of registered office	Country of incorporation or registration	Principal nature of business	Proportion of issued ordinary shares held by the Company
* Archer (UK) Limited	Union Plaza, 6th Floor, 1 Union Wynd, Aberdeen, AB10 1DQ	UK	Drilling and well services	100%
* Archer Consulting Resources Limited	Union Plaza, 6th Floor, 1 Union Wynd, Aberdeen, AB10 1DQ	UK	Provides crew services	100%
* Archer Norge AS	Sandnesveien 358, Postboks 8037, Stavanger, 4068, Norway	Norway	Drilling and well services and management services	100%
* Archer Well Services Nigeria Limited	6B Bendel Close, Off Bishop Aboyade Cole, Victoria Island, Lagos Nigeria	Nigeria	Drilling and well services	100%
* Archer Offshore Denmark AS	Tommervej 3, 6710, Esbjerg, Denmark	Denmark	Well services	100%
* Archer Well Co. (Australia) Pty Limited	Grant Thornton Australia level 1, 10 Kings Park Road, West Perth, WA 6005, Australia	Australia	Well services	100%
* Archer Well Company Inc	10613 W Sam Houston Parkway N, Suite 600, Houston, TX 77064-4663 USA	USA	Holding and management Co	100%
* Archer Well Co (M) SDN BHD	Unit 07-02, level 7, Persoft Tower, 6B Persiaran, Tropicana, 47410 Petaling Jaya, Selangor,	Malaysia	Well Services	100%
* PT Archer	Marquee Executive Office, 28th Floor, Talavera Office Park, Jalan T.B. Simatupang Kav 22-26,	Indonesia	Well Services	95%
* Archer BCH (Canada) Limited	2900 Manulife Place, 10180-101 Street, Edmonton, AB T5J 3V5, Canada	Canada	Holding company	100%
* Archer DLS Corporation	Palm Grove House, PO Box 438, Road Town, Tortola, VG 1110, Virgin Islands	BVI	Directional drilling services	100%
* Limay Drilling Rigs Limited	New Kings Court, Tollgate, Chandler's Ford, Eastleigh, Hampshire, SO53 3LG	UK	Asset owning and leasing	100%

**Archer Assets UK Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**10 Shares in group undertakings (continued)**

Name of undertaking	Address of registered office	Country of incorporation or registration	Principal nature of business	Proportion of issued ordinary shares held by the Company
* Archer Well Company International Limited	Union Plaza 6 <sup>th</sup> Floor, 1 Union Wynd, Aberdeen, AB10 1DQ	UK	Well Services	100%
* DLS Argentina Limited	Floor 10, Tucuman 1, Buenos Aires	BVI	Land drilling operations	100%
* DLS Argentina Holding Limited	Carlos Pellegrini 1023, Floor 7, Autonomous City of Buenos Aires, Argentina	BVI	Holding company	100%
• Archer Consulting AS	Sandnesveien 358, Postboks 8037, Stavanger, 4068, Norway	Norway	Provides consulting services	100%
• Archer AS	Sandnesveien 358, Postboks 8037, Stavanger, 4068, Norway	Norway	Drilling and well services	100%
• Comtrac AS	Sandnesveien 358, Sandnes, 4312, Norway	Norway	Research and development	50%
• Bergen Technology Center AS	Damsgardsveien 135, 5160 Laksevag, Bergen, Norway	Norway	Manufacturing and engineering	100%
• Archer Oil Tools AS	Sandnesveien 358, Postboks 8037, Stavanger, 4068, Norway	Norway	Provides oil tools	100%
• Archer Oil Tools LLC	10613 W Sam Houston Parkway N Suite 600, Houston TX 77064-4663	USA	Provides oil tools	100%
• Archer Holdco LLC	5510 Clara Road, Houston TX 77041-7204	USA	Holding company	100%
• BCH Energy do B.S. de Petroleo Limited	Av. Republica do Chile n 230 - 22 <sup>o</sup> andar, Rio de Janeiro, 20031-170, Brazil	Brazil	Drilling services	100%
• Archer do B.S. de Petroleo Limited	Av. Republica do Chile n 230 - 22 <sup>o</sup> andar, Rio de Janeiro, 20031-170, Brazil	Brazil	Drilling services	100%
• Ziebel UK Limited	Union Plaza (6th Floor), 1 Union Wynd, Aberdeen, Scotland, AB10 1DQ	UK	Manufacturing and Engineering	100%



**Archer Assets UK Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

Name of undertaking	Address of registered office	Country of incorporation or registration	Principal nature of business	Proportion of issued ordinary shares held by the Company
• Ziebel US Inc	5510 Clara Road, Houston TX 77041-7204	USA	Well services	100%
• Archer Well Services (Saudi Arabia)	Union Plaza (6th Floor), 1 Union Wynd, Aberdeen, Scotland, AB10 1DQ	UK	Drilling services	100%
• Archer Poland	Aleja. Grunwaldzka 409, 8th Floor, Gdansk, Pomorskie, 80-309, Poland	Poland	Drilling and Well services	100%
• DLS-Archer Ltd S.A Buenos Aires	Carlos Pellegrini 1023, Floor 7, Autonomous City of Buenos Aires, Argentina	Argentina	Land drilling operations	100%
• DLS Argentina Fluidos S.A.	Carlos Pellegrini 1023, Floor 7, Autonomous City of Buenos Aires, Argentina	Argentina	Dormant	100%

- \* Denotes direct subsidiary
- Denotes indirect subsidiary

**Impairment of investment in group undertakings**

The directors have performed an impairment review of the carrying value of the shares in group undertakings. Where impairment triggers were identified, the Company has compared the carrying value of the investment to the higher of fair value less costs of disposal and value in use. Value in use calculations have been prepared based on cash flow projections using approved financial forecasts and discounted using a post-tax discount rate of 8.5% (2021: 10%).

The following impairment charges were recorded for the year ended 31 December 2022:

- \$350k impairment in Limay Drilling Rigs Limited
- \$5.3 million impairment in Archer DLS Corporation (BVI)

If the post-tax discount rate was 1.5% higher on the investments impaired above, this would not result in any further significant impairment charges.

The directors believe the remaining carrying values of the investments are supported by their value in use.

**Archer Assets UK Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**11 Loans to Group undertakings**

	2022	2021
	\$'000	\$'000
DLS Argentina Limited	-	683
Archer Norge AS	195,106	-
<b>Amounts owed by Group undertakings</b>	<b>195,106</b>	<b>683</b>

During the year the financing arrangements across the Group were re-organised; this resulted in the issuance of 2,300,000 new ordinary shares (see note 17) and the granting of a loan to Archer Norge as detailed above.

All non-current loans to group undertakings are unsecured, denominated in USD, are repayable on 31 December 2024 and accrue interest income for the Company at a rate based on the Group's cost of borrowing plus a margin of 10 bps. The loans are secured against two land rigs.

**12 Amounts owed by Group undertakings**

Amounts owed by Group undertakings are unsecured, and are repayable on demand. Short term amounts owed by Group undertakings consist of interest free balances receivable from subsidiary companies in respect of short term funding arrangements and sundry items.

	2022	2021
	\$'000	\$'000
Archer (UK) Limited	17,866	370
Archer Norge AS	27	89
Archer Well Company International Limited	191	182
	<b>18,084</b>	<b>641</b>

**13 Debtors**

	2022	2021
	\$'000	\$'000
Prepayments and accrued income	103	92
Deferred tax	1,313	1,313
Corporation tax	959	979
Loan fees to be amortised	440	1,184
	<b>2,815</b>	<b>3,568</b>

The deferred tax balance of \$1,312,700 (2021: \$1,312,700) and loan fees to be amortised of \$440,446 (2021: \$1,184,050) are due after more than one year.

**Archer Assets UK Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**14 Amounts owed to Group undertakings**

Amounts owed to Group undertakings are unsecured, and are repayable on demand. Short term amounts owed to Group undertakings comprise the following interest free balances payable to the holding and subsidiary companies in respect of services provided, short term funding arrangements and sundry items.

	2022	2021
	\$'000	\$'000
Archer Norge AS	1,662	5,614
Limay Drilling Rigs Limited	52	350
	1,714	5,964

**15 Creditors**

	2022	2021
	\$'000	\$'000
Accruals and deferred income	147	97
External loan facility – current	409,649	12,000
	409,796	12,097

**16 Creditors: amounts falling due after more than one year**

	2022	2021
	\$'000	\$'000
External loan facility	-	323,276
Loan payable to Archer Norge AS	8,961	64,941
	8,961	388,217

**External loan facility**

As at 31 December 2022, the Company owed an amount of \$nil to Danske Bank, net of debt issuance costs of \$1.9 million, drawn down from the Archer Group facility (2021: \$325.3 million). The Archer Group facility is secured by pledges over shares in material subsidiaries, assignment over intercompany debt and guarantees issued by the material subsidiaries.

The interest payable on the facility is the aggregate of 1, 3 or 6 month NIBOR, LIBOR or EURIBOR, plus between 2.25% and 4.35% per annum, depending on the ratio of the net interest-bearing debt to EBITDA.

The facility contains certain financial covenants which were complied with, including, among others:

- Archer Group shall maintain \$30 million in freely available cash and undrawn committed credit lines
- Archer shall ensure that the capital expenditures shall not exceed \$40 million per year.

# **Archer Assets UK Limited**

## **Notes to the financial statements for the year ended 31 December 2022**

### **16 Creditors: amounts falling due after more than one year (continued)**

#### **External loan facility (continued)**

In June 2022 quarterly instalments of \$4 million commenced.

The Company is a borrower, obligor and guarantor under the Archer Group's main syndicated revolving credit facility. The Company not only guarantees for the portion of the debt directly drawn, but also the debt incurred under this facility by other entities. As such the guarantee obligation for the Company is not limited to its own debt, it includes amounts due under or in connection with the syndicated revolving credit facility. The guarantee obligation is limited to \$1.4 billion.

#### **Loan payable to Archer Norge AS**

During the year the Company repaid \$56.0 million of the loan. This was related an internal reorganisation of the Group's financing, which also involved the issuance of new share capital (note 17) and a loan being granted to Archer Norge AS from the Company. As at 31 December 2022, the Company owed an amount of \$9 million to Archer Norge AS (2021: \$65 million). The loan is unsecured and matures on 31 December 2025. The loan attracts interest at Archer Norge AS's gross interest cost for GBP/USD loans under the Multicurrency Term Loan Facility, calculated by reference to LIBOR plus a margin of 10BPS.

### **17 Called up share capital**

The Company's allotted and fully paid up share capital consists of 50,000,000 ordinary shares of £1 each and 20,807,590 ordinary shares of \$1 each and is stated at the USD amounts as at the date of issue.

The called up share capital is measured at historical cost using the exchange rate at the date of the transaction. The historic rate used is GBP/USD 2.0319.

During 2022 the Company issued 2,300,000 new ordinary shares with a par value of \$1 each for \$100 per share (2021 – issued 1,000,000 new ordinary shares).

### **18 Other reserves**

The amount reported within other reserves arose on the change of functional currency in 2013. It relates to some USD denominated assets and equity amounts which were historically reported in GBP.

### **19 Ultimate parent company and controlling party**

The ultimate and immediate parent undertaking and controlling party is Archer Limited (Bermuda), a company incorporated in Bermuda.

Archer Limited (Bermuda) is the parent undertaking of the smallest and the largest group of undertakings to consolidate these financial statements at 31 December 2022. The consolidated financial statements of Archer Limited (Bermuda) can be obtained from Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton HM08, Bermuda.

### **20 Events after the reporting period**

On 25<sup>th</sup> April 2023 the Group announced the successful completion of its refinancing, and details of new share capital issued by the Group. Further details can be found on the Group's website ([www.archerwell.com](http://www.archerwell.com)).