

Manor Renewable Energy Limited

Annual Report and Financial Statements

Year Ended

31 December 2022

Company Number 08753840

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Manor Renewable Energy Limited

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Company Information

Directors	E W Briar L N Cooper T J Mead B Smith A Cullaney B Hamilton J M Heiton (appointed 18 January 2022)
Registered number	08753840
Registered office	Manor Offices Portland Port Business Centre Castletown Portland Dorset DT5 1PB

Manor Renewable Energy Limited

Strategic Report For the year ended 31 December 2022

Introduction

The Directors present their strategic report for the period ended 31 December 2022.

The principal activity of the company is the provision of marine and engineering services to the offshore wind and other marine sectors.

Business review

Manor Renewable Energy (MRE) was established in 2013 and became recognised for both its technical knowledge and experience in delivering temporary power solutions offshore. Since that time, it has broadened and developed to become one of the leading providers of turnkey solutions to its market, providing vessels, technicians, bespoke composite generators and fuel tanks.

MRE is capable of dealing with the challenging problems encountered on offshore projects globally; the company has further diversified into owning and operating more of its own vessels, supporting new and existing projects, whilst expanding into new geographical markets, including Taiwan in 2020.

MRE brings together the expertise and complementary skills of experienced marine and engineering professionals to assist with the growing wind industry demands. Its teams include Engineers and Mariners from a range of related sectors and its directors have all worked in senior management positions, both onshore and offshore. The drive to provide efficient and reliable solutions is key to the Company success.

With the team's industry knowledge and contacts, MRE maintains its market share in temporary power in offshore wind, developing new service-lines and progressing in achieving its long-term goals.

The market continued to be strong with further overseas and UK projects commencing during the year.

There was an increase in vessel charters in the period, following an increase in offshore projects during the year and the company continued to focus on winning future work and further diversification.

The assets MRE owns, notably its vessels, generators, fuel tanks and transformers, are well maintained and versatile, with the vessels providing support for far more than just temporary power projects, which assists in being able to provide a broad range of services and being awarded projects across Europe.

During 2022 Manor Energy Group Limited was acquired by OEG Global Limited as part of the Group's strategy to support global energy ambitions and meet the energy transition challenge.

Manor Renewable Energy Limited

Strategic Report (continued) For the year ended 31 December 2022

Business review - continued

	y/e December 2022	p/e December 2021
	£'000	£'000
Turnover	38,487	18,611
Gross Profit	13,921	8,028
Margin	36%	43%
EBITDA*	9,441	5,403
Profit Before Tax	6,609	2,712

*EBITDA is calculated as earnings before interest, tax, and depreciation and amortisation and before non-recurring items.

Principal risks and uncertainties

The business continues with an approach that minimises risk when and where possible.

The continued attempt to develop long-term relationships and target projects with secure revenue streams, continuing to be a successful way forward with the business approach. There is a core of blue-chip clients, framework agreements, plus continued repeat business that has been the mainstay of revenue.

The company continues to look for more long-term contractual opportunities. A deepening understanding of the markets has allowed MRE to access more tenders and opportunities.

As most businesses have, the company has been affected by inflationary pressures. The global issue of extended lead times for materials plus transport delays had to be planned for efficiently and to a far higher level than in previous years. This has been addressed with better project management, recruitment of a dedicated logistics and procurement teams, and increased rates.

Skilled personnel continues to be a key risk to the business with pro-active recruitment and training helping to maintain a robust and agile workforce. Staff progression within the company remains hugely important to its future success.

Succession planning continues improve at a senior and middle management level, this has allowed MRE to reduce risk.

The company is fully aware that there may be further changes required and they will be dealt with as and when they arise.

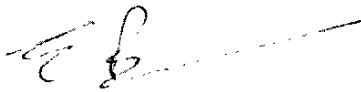
Manor Renewable Energy Limited

Strategic Report (continued)
For the year ended 31 December 2022

Financial key performance indicators

The directors consider the key performance indicators to be turnover and EBITDA, which are detailed within the business review.

This report was approved by the board on 22nd December 2022 and signed on its behalf.



E W Briar
Director

Manor Renewable Energy Limited

Directors' Report For the year ended 31 December 2022

The Directors present their report together with the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the company is the provision of marine services to the offshore wind and other marine sectors.

Directors

The Directors who served during the period were:

E W Briar
L N Cooper
T J Mead
B Smith
A Cullane
B Hamilton
J M Helton (appointed 18 January 2022)

Results and dividends

The profit for the period, after taxation, amounted to £6,184,049.

No dividends were paid during the period.

Price risk, credit risk, liquidity risk and cash flow risk

We continue to negotiate the best terms we possibly can and when necessary, forward buy foreign currency.

The company reduces its exposure to cash flow risk by recognising that it is essential to minimise costs where possible. The company has also been successful in raising asset finance to support its asset base, which allows it to operate with more headroom and liquidity, reducing its exposure to liquidity risk.

The company uses multiple suppliers to reduce its exposure to price risk.

Future developments

MRE continues to look at ways of increasing efficiency; it has explored fitting Lithium-Ion batteries to replace part of the generator provision on three of the vessels and battery pod systems to reduce generator run time on behalf of clients.

Branches outside the United Kingdom

We have branch offices in France and Taiwan. No other overseas offices are planned at this time, but the USA may be a consideration as our next target facility and office.

Research and development

The group continued to evaluate new products and services for introduction into the marketplace.

Manor Renewable Energy Limited

Directors' Report (continued) For the year ended 31 December 2022

Statement of Directors' responsibilities

The Directors acknowledge their responsibility for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Post balance sheet events

In June 2023, the Manor Renewable Energy Limited fleet was refinanced for £7,350,000. The loan will be settled in full July 2028.

Matters covered in the strategic report

The company's principal activities and business review are set out in the strategic report on pages 2-4.

Quality third party indemnity provisions

The company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Going concern


The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the company is able to meet all its liabilities as they fall due. Having completed this the directors are confident of being able to trade for a period of at least 12 months from the approval of the financial statements.

The company monitors cash flows as part of its day-to-day control procedures. The board considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

Audit exemption

The company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

This report was approved by the board on *22nd December 2023* and signed on its behalf.



E W Briar
Director

Manor Renewable Energy Limited

Directors' Responsibilities Statement

For the year 31 December 2022

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for 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.

Manor Renewable Energy Limited

Statement of Comprehensive Income For the year ended 31 December 2022

	Note	y/e Dec 2022 £	p/e Dec 2021 £
Turnover	4	38,487,148	18,611,428
Cost of sales		<u>(24,565,995)</u>	<u>(10,583,037)</u>
Gross profit		13,921,153	8,028,391
Administrative expenses		(6,531,604)	(3,553,054)
Other operating income	5	<u>126</u>	<u>81</u>
Operating profit	6	7,389,675	4,475,418
Exceptional expenses	13	(525,511)	(1,600,000)
Interest payable and similar charges	7	<u>(255,374)</u>	<u>(163,429)</u>
Profit before tax		6,608,790	2,711,989
Tax on profit	11	<u>(424,741)</u>	<u>(707,093)</u>
Profit for the financial period		6,184,049	2,004,896
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>6,184,049</u>	<u>2,004,896</u>

The notes on pages 11 to 29 form part of these financial statements.

Manor Renewable Energy Limited

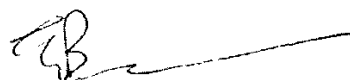
Registered number: 08753840

Balance Sheet As at 31 December 2022

	Note	Dec 2022 £	Dec 2022 £	Dec 2021 £	Dec 2021 £
Fixed assets					
Tangible assets	12		17,075,721		10,669,255
Investments	13		432,381		963,381
			17,508,102		11,632,636
Current assets					
Debtors: amounts falling due within one year	14	15,694,972		4,023,586	
Cash at bank and in hand	15	1,016,441		4,437,555	
		16,711,413		8,461,141	
Creditors: amounts falling due within one year	16	(16,033,221)		(7,017,107)	
Net current assets/(liabilities)			678,192		1,444,034
Total assets less current liabilities			18,186,294		13,076,670
Creditors: amounts falling due after more than one year	17,18		(2,132,375)		(3,599,470)
Provisions for liabilities					
Deferred tax	19		(1,315,282)		(927,495)
Dilapidations provision	23		(6,533)		(1,650)
Net assets			14,732,104		8,548,055
Capital and reserves					
Called up share capital	21		300		300
Profit and loss account	24		14,731,804		8,547,755
Total equity			14,732,104		8,548,055

For the year ending 31/12/2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22nd December 2023



E W Briar
Director

The notes on pages 11 to 29 form part of these financial statements.

Manor Renewable Energy Limited

Statement of Changes in Equity For the year ended 31 December 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2022	300	8,547,755	8,548,055
Comprehensive income for the period			
Profit/(loss) for the period	-	6,184,049	6,184,049
Total comprehensive income for the period	-	6,184,049	6,184,049
At 31 December 2022	300	14,731,804	14,732,104

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2021	300	6,542,859	6,543,159
Comprehensive income for the period			
Profit/(loss) for the period	-	2,004,896	2,004,896
Total comprehensive income for the period	-	2,004,896	2,004,896
At 31 December 2021	300	8,547,755	8,548,055

The notes on pages 11 to 29 form part of these financial statements.

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

1. General information

Manor Renewable Energy Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company information page and the nature of the Company's operations and its principal activity are set out in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

There was a change in length of accounting period to 31 December 2021. The values for this shortened period are not entirely comparable to the prior year as a consequence.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of OEG Global Limited as at 31 December 2022.

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the Company is expected to be able to meet all its liabilities as they fall due.

The Company, is expected to remain in a strong financial position during the forecast period from the date of signing the accounts. The Directors are confident of being able to trade for a period of at least 12 months from the approval of the financial statements and have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

2.4 Exemption from preparing consolidated financial statements

The Company is exempt from the requirement to prepare and deliver consolidated financial statements by virtue of section 400 of the Companies Act 2006 and accordingly the financial statements present information about the Company as an individual and not about its Group.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- Generators, transformers, fuel tanks and other pod costs 50% straight line basis/other plant and machinery 10-20% straight line basis
Motor vehicles	- 10-25% straight line basis
Office equipment	- 20-25% straight line basis
Vessels	- 10-33% straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first-in, first-out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.14 Borrowing costs

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2.15 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.16 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.17 R&D tax credits

R&D tax credits are accounted for as government grants in accordance with section 24 of FRS 102.

In the research phase of an internal project, it is not possible to demonstrate that the project will generate future economic benefit and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Research and development tax credits are included within operating income in the statement of comprehensive income.

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.19 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.20 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.21 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.23 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparation of the financial statements, the directors have made a number of significant judgements and estimates:

Useful lives of fixed assets

Depreciation is provided to write down the assets to their residual values over their estimated useful lives as set out in the company's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives change then depreciation charges and carrying value of fixed assets in the financial statements would change accordingly.

Impairments

Determining whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill requires the exercise of management's judgement. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Leases

Determine whether leases entered into by the Company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

4. Turnover

An analysis of turnover by class of business is as follows:

	y/e Dec 2022 £	p/e Dec 2021 £
Offshore windfarm services	<u>38,487,148</u>	<u>18,611,428</u>

Analysis of turnover by country of destination:

United Kingdom	26,206,238	15,965,204
Rest of World	7,650,821	1,684,240
Europe	<u>4,630,090</u>	<u>961,984</u>
	<u>38,487,148</u>	<u>18,611,428</u>

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

5. Other operating income

	y/e Dec 2022	p/e Dec 2021
	£	£
Other operating income	126	81
	<u>126</u>	<u>81</u>

6. Operating profit

The operating profit is stated after charging/(crediting):

	y/e Dec 2022	p/e Dec 2021
	£	£
Depreciation expense	1,520,514	927,336
Impairment charge	531,000	—
(Profit) on disposal of fixed assets	(76,208)	(54,404)
(Profit)/Loss on foreign exchange	(328,652)	33,941
Defined contribution pension cost	164,271	20,271
	<u>164,271</u>	<u>20,271</u>

7. Interest payable and similar charges

	y/e Dec 2022	p/e Dec 2021
	£	£
Bank interest payable and similar charges	194,879	119,146
Interest on obligations under finance leases and hire purchase contracts	60,495	44,283
	<u>255,374</u>	<u>163,429</u>

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	y/e Dec 2022	p/e Dec 2021
	£	£
Wages and salaries	2,051,559	1,388,665
Social security costs	232,418	152,346
Pension costs, defined contribution scheme	164,271	20,271
	<u>2,448,248</u>	<u>1,561,282</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	y/e Dec 2022	p/e Dec 2021
	No.	No.
Production	24	12
Administration and support	23	30
Sales, marketing and distribution	4	4
	<u>51</u>	<u>46</u>

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

9. Directors' remuneration

	y/e Dec 2022 £	p/e Dec 2021 £
Directors' emoluments	1,821,191	441,000
Compensation for loss of office	—	—
	<u>1,821,191</u>	<u>441,000</u>

The Directors are considered the key management of the Company.

During the period retirement benefits were accruing to 4 directors (year ended 31 March 2021 - 4) in respect of defined contribution pension schemes.

Directors' remuneration includes company car, van and fuel benefits-in-kind with a cash equivalent of £52,552 (December 2021 - £24,500) received by 6 (December 2021 - 4) Directors during the period.

During the period the number of Directors who were receiving benefits and share incentives was as follows:

	y/e Dec 2022 £	p/e Dec 2021 £
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>2</u>
In respect of the highest paid Director:	y/e Dec 2022 £	p/e Dec 2021 £
Remuneration	<u>401,375</u>	<u>112,500</u>

10. Auditor's remuneration

	y/e Dec 2022 £	p/e Dec 2021 £
Audit of the financial statements	<u>-</u>	<u>30,000</u>
Taxation compliance services	-	-
Financial statements preparation	<u>-</u>	<u>-</u>
	<u>-</u>	<u>30,000</u>

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

11. Taxation

	y/e Dec 2022	p/e Dec 2021
	£	£
Corporation tax		
Current tax on profits/(losses) for the year	36,954	–
Adjustments in respect of prior periods	–	370,479
Foreign tax relief/other relief	(36,954)	
Foreign tax suffered	36,954	
Total current tax	36,954	370,479
Deferred tax		
Origination and reversal of timing differences	231,967	456,586
Change in tax rate	73,253	222,599
Adjustments in respect of prior periods	82,567	(342,571)
Total deferred tax	387,787	336,614
Taxation on profit on ordinary activities	(424,741)	(707,093)

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is lower than (December 2021 - higher than) the standard rate of corporation tax in the UK of 19% (December 2021 - 19%). The differences are explained below:

	y/e Dec 2022	p/e Dec 2021
	£	£
Profit/(loss) on ordinary activities before tax	6,608,790	2,711,989
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (December 2021 - 19%)	1,255,670	515,278
Effects of:		
Expenses not deductible for tax purposes	201,206	304,986
Tax rate changes	73,253	222,599
Effects of overseas tax rates	36,954	–
Effects of group relief / other reliefs	(1,218,191)	(359,545)
Adjustment to tax charge in respect of previous periods	82,567	27,908
Income not taxable for tax purposes	(6,718)	(4,133)
Total tax charge/(credit) for the year	424,741	707,093

Factors that may affect future tax charges

Increases in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April and 25% effective from 1 April 2023) have been substantively enacted. This will impact the Company's future tax charge accordingly. The value of the deferred tax liability at the balance sheet date has been calculated using the applicable rate when liability is expected to be realised.

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Notes to the Financial Statements For the year ended 31 December 2022

12. Tangible fixed assets

	Plant and machinery £	Motor Vehicles £	Office equipment £	Vessels £	Total £
Cost or valuation					
At 1 January 2022	5,663,221	124,369	119,670	9,811,678	15,718,938
Additions	379,954	33,995	26,045	7,601,579	8,041,573
Disposals	(199,059)	(21,995)	-	(62,366)	(283,420)
At 31 December 2022	<u>5,844,116</u>	<u>136,369</u>	<u>145,715</u>	<u>17,350,891</u>	<u>23,477,091</u>
Depreciation					
At 1 January 2022	3,463,314	88,314	77,647	1,420,408	5,049,683
Charge for the year	786,362	11,699	21,616	700,838	1,520,514
Disposals	(162,180)	(5,499)	-	(1,148)	(168,827)
At 31 December 2022	<u>4,087,495</u>	<u>94,514</u>	<u>99,263</u>	<u>2,120,098</u>	<u>6,401,370</u>
Net book value					
At 31 December 2022	<u>1,756,621</u>	<u>41,855</u>	<u>46,452</u>	<u>15,230,793</u>	<u>17,075,721</u>
At 31 December 2021	<u>2,199,907</u>	<u>36,055</u>	<u>42,023</u>	<u>8,391,271</u>	<u>10,669,255</u>

Assets held under finance leases and hire purchase contracts

In respect of assets held under finance leases and hire purchase contracts, the net carrying amount of tangible assets includes £969,953 (period ended December 2021 - £1,596,594) of plant and machinery and £Nil (period ended December 2021 - £Nil) of motor vehicles.

Restriction on title and pledged as security

The vessel 'Manor Venture' with a carrying amount of £1,720,654 (December 2021 - £2,059,017) was released as security for a fixed charge in relation to the bank loan and loan note liabilities of the Company's parent.

The vessel 'Manor Endurance' with a carrying amount of £3,840,174 (December 2021 - £4,076,347) has been pledged as security for a fixed charge in relation to the Company's bank borrowings as noted below and was released as security in relation to the bank and loan note liabilities of the Company's parent.

The vessel 'Manor Initiative' with a carrying amount of £817,521 (December 2021 - £921,975) was released as security for a fixed charge in relation to the Company's bank borrowings as noted below and the bank and loan note liabilities of the Company's parent.

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	2,563,381
At 31 December 2022	2,563,381
Impairment	
At 1 January 2022	1,600,000
Impairment charge in the period	531,000
At 31 December 2022	2,131,000
Net book value	
At 1 January 2022	963,381
At 31 December 2022	432,381

During the period the directors made a provision of £531,000 (December 2021: £1,600,000) to more accurately reflect the value of the subsidiary at the balance sheet date. In making the provision the directors took into account the subsidiary's trading performance for the period to 31 December 2022 and post-year end, balance sheet value along with future trading projections.

OPUS Marine GmbH was acquired in September 2023 for €1. Exceptional expenses in relation to the acquisition of £525,512 were incurred.

Subsidiary undertaking

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Manor Marine UK Limited	Boat building, ship repair, marine works and maintenance.	Ordinary	100%
OPUS Marine GmbH	Provision of marine services to the offshore wind and other marine sectors	Ordinary	100%

The registered office of Manor Marine UK Limited is Manor Offices, Portland Port Business Centre, Castletown, Portland, Dorset, DT5 1PB, England.

The registered office of OPUS Marine GmbH is Hamburg Geschäftsanschrift, Moorfleeter Straße 15, Hamburg, 22113

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Notes to the Financial Statements For the year ended 31 December 2022

14. Debtors: amounts falling due within one year

	y/e Dec 2022	p/e Dec 2021
	£	£
Trade debtors	5,425,879	3,439,542
Amounts owed by group companies	5,556,200	–
Other debtors	4,275,869	116,041
Prepayments and accrued income	266,740	458,003
Corporation tax recoverable	–	10,000
Other tax and social security	170,284	–
	<u>15,694,972</u>	<u>4,023,586</u>

Tax recoverable includes R&D tax credits receivable totalling £Nil (December 2021 - £Nil) and corporation tax recoverable totalling £Nil (December 2021 - £10,000)

15. Cash and cash equivalents

	y/e Dec 2022	p/e Dec 2021
	£	£
Cash at bank and in hand	<u>1,016,441</u>	<u>4,437,555</u>

At the period end, the Company's bankers possessed a fixed charge over balances totalling £190,000 (December 2021 - £140,341).

16. Creditors: amounts falling due within one year

	y/e Dec 2022	p/e Dec 2021
	£	£
Loans and borrowings	225,000	414,678
Trade creditors	1,016,592	4,183,855
Amounts owed to group undertakings	12,056,159	692,043
Other taxation and social security	90,091	628,420
Obligations under finance lease and hire purchase contracts	505,799	730,857
Other creditors	56,055	30,317
Accruals and deferred income	2,083,523	336,937
	<u>16,033,219</u>	<u>7,017,107</u>

17. Creditors: amounts falling due after more than one year

	y/e Dec 2022	p/e Dec 2021
	£	£
Loans	1,518,750	2,490,676
Obligations under finance leases and hire purchase contracts	613,625	1,108,794
	<u>2,132,375</u>	<u>3,599,470</u>

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

18. Loans and hire purchase liabilities

Analysis of the maturity of loans is given below:

	y/e Dec 2022 £	p/e Dec 2021 £
Amounts falling due within one year		
Bank loans	225,000	414,678
Obligations under finance leases and hire purchase contracts	501,961	730,857
Amounts falling due 1-5 years		
Bank loans	1,518,750	2,490,676
Obligations under finance leases and hire purchase contracts	613,625	1,108,794
Amounts falling due after 5 years		
Bank loans	—	—
Bank borrowings	2,859,336	4,745,005

The 'Manor Initiative' bank loan is denominated in pounds sterling with a nominal interest rate of 4.85% above LIBOR. The loan is secured by way of a debenture against the company's windfarm vessel, Manor Initiative. The amount of this loan repayable at period end was £Nil (December 2021 - £430k).

The 'Manor Endurance' bank loan is denominated in pounds sterling with a nominal interest rate of 4.5% above Natwest base rate %. The loan is secured by way of a debenture against the company's windfarm vessel, Manor Endurance. The loan is repayable monthly until 26 February 2026 with a final amount repayable representing 50% of the loan's initial value. The amount of this loan repayable at period end was £1,744k (December 2021 - £1,969k).

The 'Manor Enterprise' bank loan is denominated in pounds sterling with a nominal interest rate of 4.85% was LIBOR. The amount of this loan repayable at period end was £Nil (December 2021 - £473k).

Interest charged on bank loans is shown under interest payable within the statement of comprehensive income.

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

19. Deferred taxation

	y/e Dec 2022	p/e Dec 2021
	£	£
At beginning of period	927,495	590,881
Adjustment in respect of prior years	82,567	
Charged to profit or loss	305,220	336,614
At end of period	<u>1,315,282</u>	<u>927,495</u>

The provision for deferred taxation is made up as follows:

	y/e Dec 2022	p/e Dec 2021
	£	£
Other timing differences	(6,492)	(1,752)
Accelerated capital allowances	<u>1,321,774</u>	<u>929,247</u>

20. Pension

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £164,271 (December 2021 - £20,271).

Contributions totalling £19,435 (December 2021 - £5,356) were payable to the scheme at the end of the period and are included in creditors.

21. Share capital

	y/e Dec 2022	p/e Dec 2021
	£	£
Allotted, called up and fully paid		
300 Ordinary shares of £1 each	<u>300</u>	<u>300</u>

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

22. Obligations under leases and hire purchase contracts

Finance leases

Minimum lease payments under hire purchase fall due as follows:

	y/e Dec 2022	p/e Dec 2021
	£	£
Not later than one year	505,799	730,857
Later than one year and not later than five years	613,625	1,108,794
	<u>1,119,424</u>	<u>1,839,651</u>

Operating leases

The total of future minimum lease payments is as follows:

	y/e Dec 2022	p/e Dec 2021
	£	£
Not later than one year	353,935	3,674,545
Between one and five years	47,500	76,000
	<u>401,435</u>	<u>3,750,545</u>

23. Provisions

	Dilapidation provision £
At 1 January 2022	1,650
Charged to profit or loss in period	4,883
At 31 December 2022	<u>6,533</u>

Dilapidation provision

Some of the company's property leasing arrangements contain a clause to repair damages incurred during the life of the lease, such as wear and tear. The company therefore recognises a dilapidation provision as such obligations arises. Dilapidation settlements are subject to negotiation and as such, there is uncertainty regarding the amount and timing of the cash outflow. The provision is expected to be utilised as the leases terminate. Dilapidation provisions are recognised within administrative expenses in the statement of comprehensive income.

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

24. Reserves

The Company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

25. Capital commitments

At 31 December 2022 the company were committed to purchase tangible fixed assets. The total contracted for but not provided in the financial statements was £422,200 (December 2021 - £5,101).

26. Financial guarantee contracts

In February 2022, the company obtained a performance bond from NatWest Bank. The aggregate amount of any claim made under the performance bond was £Nil (December 2021 - £100,000). The performance bond expired in December 2022 with no such claims made.

27. Post balance sheet events

In June 2023, the Manor Renewable Energy Limited fleet was refinanced for £7,350,000. The loan will be settled in full in July 2028.

28. Related party transactions

All Directors who have authority and responsibility for planning, directing and controlling the activities of the group are considered to be key management personnel. Their remuneration is disclosed in the director's remuneration notes.

At 31 December 2022 Manor Renewable Energy Limited owed £630 (December 2021: £630) to the Directors for previously declared dividends. This is repayable upon demand by the Directors.

The Company has taken advantage of the exemptions conferred by Section 33.1A of FRS 102 from disclosing transactions with other 100% owned members of the group, as consolidated accounts are publicly available.

At 31 December 2022 £5,556,200 (2021 - £692,043) was due from related parties.

At 31 December 2022 £12,056,159 (2021 - £Nil) was due to related parties.

Manor Renewable Energy Limited

Notes to the Financial Statements For the year ended 31 December 2022

29. Parent and ultimate parent undertaking

The company's immediate parent is Manor Energy Group Limited.

The largest and smallest group in which the results of the company were consolidated, was that headed by OEG Global Limited incorporated in the UK. The address of the registered office is C/O Harran Limited Yarmouth Business Park, Thamesfield Way, Great Yarmouth, Norfolk, United Kingdom, NR31 0ER.

On 18 January 2022, the group headed by Manor Energy Group Limited, was acquired by OEG Offshore Group Limited, a company registered in England and Wales. The ultimate controlling party was GHS Invest S.C.P, incorporated in Monaco.