

# **Air Energi Newco Limited**

Report and Financial Statements

Year ended

31 December 2019

Company Number 09890678

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# **Air Energi Newco Limited**

**Report and financial statements  
for the year ended 31 December 2019**

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### **Directors**

I M Langley  
M Harrison  
P W Searle

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### **Registered office**

Delphian House, 4th Floor, Riverside, New Bailey Street, Manchester M3 5FS

### **Company number**

09890678

### **Auditors**

BDO LLP, 3 Hardman Street, Manchester, M3 3AT

# Air Energi Newco Limited

## Strategic Report for the year ended 31 December 2019

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The Directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2019.

The company has prepared the financial statements in accordance with United Kingdom Accounting Standards, specifically FRS 100 Application of Financial Reporting Requirements and FRS 101 Reduced Disclosure Framework. More information on the preparation of the financial statements is disclosed within note 2 of the financial statements.

### Principal activity

The principal activity of the company is that of a holding company. The principal activity of the group is the provision of global manpower solutions to the oil and gas industry.

### Business review and future developments

The Company was formed to hold an investment in Airswift Holdings Limited (ASH). ASH was created to merge the Air and Swift businesses in January 2016.

The company also holds loan notes payable to a private equity investor and incurs interest on these loan notes. Similar interest expenses are expected to be incurred next year.

The company made a loss of £6,619,000 (2018: loss of £5,988,000) in the year due to interest on loan notes.

### Principal risks & uncertainties

The Company's risks and uncertainties are reviewed as part of the overall group and the Company is therefore affected by the same principle risks and uncertainties that affect the rest of the Airswift Group.

The global market in the Oil & Gas Industry remains highly competitive. The company seeks to manage the risk of losing customers by providing a customised service whilst working in partnership with our clients and maintaining a strong relationship throughout the world. Given the current COVID-19 pandemic and resulting oil price decline that has occurred in the early part of 2020 the company acknowledges this is an increased period of uncertainty and anticipates an impact on the business. The Group have taken actions to develop protocols for working from home, travel to and from affected areas and ensuring self-isolation where appropriate to protect employees.

As with any multi currency based group we are sensitive to currency fluctuations however we build this into our forecasts and are confident this will not have an adverse affect on the business.

The group's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and reviewing existing customer's payments against contractual agreements.

The company is dependent on the wider group in order to meet its obligations as they fall due. The group monitors cash flow as part of its day to day operations.

The Board considers cash flow projections constantly and ensures that the appropriate facilities are available to be drawn upon as necessary.

### Key performance indicators

The company is a holding company. As such there are no key performance indicators for the company.

Approved on behalf of the Board



I.M. Langley  
Director

8 December 2020

# Air Energi Newco Limited

## Report of the directors for the year ended 31 December 2019

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The directors present their report together with the audited financial statements for the year ended 31 December 2019.

### Results and dividends

The results for the year and financial position of the company are as shown in the attached financial statements and a detailed review is set out in the strategic report.

No dividends were paid or declared during the period.

### Going concern

The Directors are required to prepare these financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. This assessment has been carried out on the cash flows of the wider Airswift Group, which the company is a member of, as cash is managed by a centralised treasury function who ensure all parts of the Group have sufficient cash to meet their immediate needs. As part of the arrangement, the Group has issued a letter of support for a period of twelve months from the date of approval of these financial statements to the company which includes both making funds available if required and not to seek repayment of amounts due at the balance sheet date if this

The company has net liabilities of £22,700,000 (2018: £16,081,000) which is largely represented by amounts owed to holders of loan notes. Loan notes outstanding at 31 December 2019 amounted to £70,350,000 (2018: £63,731,000). The loan notes are redeemable on 6 January 2021. The majority Loan Note holders are entitled to and intend to extend the term of the Loan Notes to a date not later than April 2025 on or before 6 January 2021. The company holds investments in Airswift Holdings Limited and none of the company's liabilities are payable until the company disposes of its investments.

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The risks associated with the Covid-19 pandemic have been given additional focus due to the uncertainty of both its potential impact on the global economy, oil prices and the possible duration of any such impact. The Group board of directors are managing the situation closely to ensure the business can manage through any impacts that it may face as a result of the pandemic.

The directors have reviewed various potential scenarios and their likely impact on the Group and Company for the period of 12 months following the signing of the financial statements. In a worst case scenario, the forecasts reflect a possible breach of covenants relating to the group facilities in place. The Group is also due to re-finance its revolver facilities in January 2021.

The full extent of the impacts and duration of Covid-19 remain unclear and the above scenario does create a material uncertainty for the business in relation to whether the Company will have adequate funding if the situation is significantly worse than currently envisaged. As such the Directors acknowledge that a material uncertainty exists which may cast a significant doubt on the Company's ability to continue as a going concern and therefore their ability to realise their assets and liabilities in the normal course of business.

Notwithstanding the material uncertainty the Directors consider the most likely scenario is that the covenants will be satisfied and the group will carry out an orderly refinance of its revolver facilities. The Directors have a reasonable expectation that the business has sufficient resources to operate for a period of at least 12 months from the date of signing these financial statements and that it is appropriate for the financial statements to be prepared on a going concern basis. This, together with the letter of support from the parent company, mean the directors consider the going concern basis appropriate.

### Post balance sheet events

On 11 March 2020 the World Health Organisation declared the novel coronavirus (COVID-19) outbreak a global pandemic. COVID-19 is a non adjustment post balance sheet event. As at 31 December 2019 few cases had been confirmed and the virus was only just identified. COVID-19 is still a rapidly evolving situation for which the financial impact cannot currently be reliably measured.

The Company does not trade and therefore has not seen any impact as a result of the COVID-19. The board of directors are managing the situation closely to ensure the business can manage through any impacts that it may face as a result of the pandemic.

# Air Energi Newco Limited

## Report of the directors for the year ended 31 December 2019

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### Directors

The directors of the company during the year were as follows:

I M Langley  
M Harrison  
P W Searle

### Statement of directors' responsibilities

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), including FRS 101 "Reduced Disclosure Framework" ("FRS 101") 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;
- 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.

### Auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

By order of the Board



I M Langley  
Director

8 December 2020

## **Air Energi Newco Limited**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIR ENERGI NEWCO LIMITED for the year ended 31 December 2019**

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We have audited the financial statements of Air Energi Newco Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

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#### **Material uncertainty related to going concern**

We draw attention to note 2 to the financial statements which indicates the Group, of which Air Energi Newco Limited is a part of, is due to renew its revolver facility in January 2021. In addition the potential effects of COVID-19 could see a possible breach of the group loan covenants in the worst case. This could have an impact on the ability of the Group to renew the revolver facilities. As stated in note 2, these events or conditions, along with other matters as set out in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **Other information**

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

*In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.*

We have nothing to report in this regard.

## **Air Energi Newco Limited**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIR ENERGI NEWCO LIMITED for the year ended 31 December 2019**

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#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit;

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

#### **Responsibilities of Directors**

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

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

## Air Energi Newco Limited

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIR ENERGI NEWCO LIMITED for the year ended 31 December 2019

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#### Auditor's responsibilities for the audit of the financial statements

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

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

#### Use of our report

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

BDO LLP

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Steven Roberts (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Manchester  
United Kingdom

10 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



## Air Energi Newco Limited

### Statement of comprehensive income for the year ended 31 December 2019

	Note	2019 £000	2018 £000
Operating profit	3	-	-
Finance costs	5	(6,619)	(5,988)
<b>Loss on ordinary activities before income tax</b>		<b>(6,619)</b>	<b>(5,988)</b>
Income tax expense	6	-	-
<b>Loss and total comprehensive loss for the year</b>		<b>(6,619)</b>	<b>(5,988)</b>

All amounts relate to continuing activities.

Notes 1 to 14 form part of these financial statements.

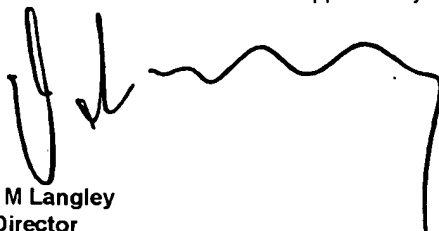
# Air Energi Newco Limited

## Statement of financial position at 31 December 2019

<i>Company Number 09890678</i>	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Investments	7	47,650	47,650
<b>Total assets</b>		<b>47,650</b>	<b>47,650</b>
<b>Creditors: amounts falling due after more than one year</b>			
Borrowings	8	(70,350)	(63,731)
		(70,350)	(63,731)
<b>Total assets less current liabilities</b>		<b>47,650</b>	<b>47,650</b>
<b>Net liabilities</b>		<b>(22,700)</b>	<b>(16,081)</b>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Retained earnings	10	(22,700)	(16,081)
<b>Total deficit</b>		<b>(22,700)</b>	<b>(16,081)</b>

Notes 1 to 14 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 8 December 2020.

  
 I M Langley  
 Director

## Air Energi Newco Limited

### Statement of changes in equity for the year ended 31 December 2019

	Share Capital	Profit & Loss Reserve	Total deficit
	£000	£000	£000
<b>Balance as at 1 January 2018</b>	-	(10,093)	(10,093)
Loss for the period	-	(5,988)	(5,988)
Total comprehensive expense for the period	-	(5,988)	(5,988)
<b>Balance as at 31 December 2018</b>	-	(16,081)	(16,081)
Loss for the year	-	(6,619)	(6,619)
Total comprehensive expense for the period	-	(6,619)	(6,619)
<b>Balance as at 31 December 2019</b>	-	(22,700)	(22,700)

Notes 1 to 14 form part of these financial statements.

# Air Energi Newco Limited

Notes forming part of the financial statements  
for the year ended 31 December 2019

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## 1 General information

Air Energi Newco Limited is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on the contents page. The nature of the Company's operations and its principal activities are set out in the strategic report and the directors' report. These financial statements are presented in sterling because that is the currency of the primary economic environment in which the company operates. All values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

## 2 Significant accounting policies

The principal accounting policies adopted are set out below.

### *Basis of accounting*

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Reduced Disclosure Framework. The principal accounting policies adopted in the preparation of the financial statements are set out below.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

### *Consolidated accounts*

The company is exempt from the requirement to prepare consolidated financial statements by virtue of section 400 of the Companies Act 2006 as the company is included in the consolidated financial statements of Air Energi Group Holdings Limited, a company incorporated in the United Kingdom. These financial statements therefore present information about the company as an individual undertaking and not about its group.

### *Disclosure exemptions adopted*

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by Airswift Holdings Limited.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Air Energi Group Holdings Limited. These financial statements do not include certain disclosures in respect of:

- Financial Instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- Impairment of assets.

The financial statements of Air Energi Group Holdings Limited can be obtained from the registered office given on the contents page.

## Air Energi Newco Limited

Notes forming part of the financial statements  
for the year ended 31 December 2019

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### *Going concern*

The Directors are required to prepare these financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. This assessment has been carried out on the cash flows of the wider Airswift Group, which the company is a member of, as cash is managed by a centralised treasury function who ensure all parts of the Group have sufficient cash to meet their immediate needs. As part of the arrangement, the Group has issued a letter of support for a period of twelve months from the date of approval of these financial statements to the company which includes both making funds available if required and not to seek repayment of amounts due at the balance sheet date if this would be detrimental to the company.

The company has net liabilities of £22,700,000 (2018: £16,081,000) which is largely represented by amounts owed to holders of loan notes. Loan notes outstanding at 31 December 2019 amounted to £70,350,000 (2018: £63,731,000). The loan notes are redeemable on 6 January 2021. The majority Loan Note holders are entitled to and intend to extend the term of the Loan Notes to a date not later than April 2025 on or before 6 January 2021. The company holds investments in Airswift Holdings Limited and none of the company's liabilities are payable until the company disposes of its investments.

The risks associated with the Covid-19 pandemic have been given additional focus due to the uncertainty of both its potential impact on the global economy, oil prices and the possible duration of any such impact. The Group board of directors are managing the situation closely to ensure the business can manage through any impacts that it may face as a result of the pandemic.

The directors have reviewed various potential scenarios and their likely impact on the Group and Company for the period of 12 months following the signing of the financial statements. In a worst case scenario, the forecasts reflect a possible breach of covenants relating to the group facilities in place. The Group is also due to re-finance its revolver facilities in January 2021.

The full extent of the impacts and duration of Covid-19 remain unclear and the above scenario does create a material uncertainty for the business in relation to whether the Company will have adequate funding if the situation is significantly worse than currently envisaged. As such the Directors acknowledge that a material uncertainty exists which may cast a significant doubt on the Company's ability to continue as a going concern and therefore their ability to realise their assets and liabilities in the normal course of business.

Notwithstanding the material uncertainty the Directors consider the most likely scenario is that the covenants will be satisfied and the group will carry out an orderly refinance of its revolver facilities. The Directors have a reasonable expectation that the business has sufficient resources to operate for a period of at least 12 months from the date of signing these financial statements and that it is appropriate for the financial statements to be prepared on a going concern basis. This, together with the letter of support from the parent company, mean the directors consider the going concern basis appropriate.

## Air Energi Newco Limited

Notes forming part of the financial statements  
for the year ended 31 December 2019

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### 2 Significant accounting policies (continued)

#### *Borrowing costs*

Directly attributable costs of a new debt instrument are capitalised and spread over the term of the instrument. All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

#### *Taxation*

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

#### *Financial instruments*

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

#### *Financial assets*

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### *Investments*

Investments are initially recorded at cost and are reviewed for impairment on an annual basis.

#### *Loans and receivables*

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

## Air Energi Newco Limited

### Notes forming part of the financial statements for the year ended 31 December 2019

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#### 2 Significant accounting policies (continued)

##### *Impairment of financial assets*

Loans and receivables are assessed for indicators of impairment at each balance sheet date. They are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For trade receivables, assets that are assessed not to be, impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with impairment for a portfolio of receivables could include the default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Impairment provisions for receivables from and to group undertakings are recognised based on a forward looking expected credit loss model. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

##### *Cash and bank balances*

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

##### *Derecognition of financial assets*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

##### *Financial liabilities and equity*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

##### *Financial liabilities*

The Company holds no financial liabilities classified as 'at FVTPL' and hence all of its financial liabilities are classified as 'other financial liabilities'.

##### *Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

##### *Derecognition of financial liabilities*

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

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

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider that the key accounting judgement and estimation applied to these financial statements is the estimation of the recoverable value of the company's investments. The directors do not believe that there is any impairment of its investment in its subsidiary undertakings as these entities have either net assets or expected future profits that supports the carrying value of the investment.

## Air Energi Newco Limited

Notes forming part of the financial statements  
for the year ended 31 December 2019

### 3 Operating loss

Fees for audit and non-audit services of £1,000 in the current period (2018: £1,000) have been borne by another group undertaking without recourse.

### 4 Staff costs

The company has no employees other than directors. The directors' costs were borne by another group entity. The amount recharged to the company was £nil (2018: £nil).

### 5 Finance costs

	2019 £000	2018 £000
Loan notes interest payable (note 8)	6,619	5,988
	<u>6,619</u>	<u>5,988</u>

### 6 Tax

	2019 £000	2018 £000
Current tax	-	-
Deferred tax	-	-
Total income tax expense	<u>-</u>	<u>-</u>

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2019 £000	2018 £000
Loss on ordinary activities before tax	<u>(6,619)</u>	<u>(5,988)</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018: 19%)	(1,258)	(1,138)
Effects of: Expenses not deductible for tax purposes	<u>1,258</u>	<u>1,138</u>
Total income tax charge for period	<u>-</u>	<u>-</u>



## Air Energi Newco Limited

Notes forming part of the financial statements  
for the year ended 31 December 2019

### 7 Investments

Investments in subsidiary undertakings	2019 £000	2018 £000
At 31 December	47,650	47,650

*Subsidiary undertakings, associated undertakings and other investments*

The principal undertakings are as follows:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>			
Airswift Holdings Limited	England	55.5%	Holding company
Air Energi Group Investments Limited	England	55.5%	Holding company
Air Energi Holdings Limited	England	55.5%	Holding company
Air Energi Investments Limited	England	55.5%	Holding company
Air Energi Group Limited	England	55.5%	Holding company
Air Resources Limited	England		Provision of global manpower solutions to the Oil & Gas Industry ("PGMS")
		55.5%	
Air Resources Americas LLC	USA	55.5%	PGMS
Airswift Canada Limited	Canada	55.5%	PGMS
Air Energi Group Singapore Pte Limited	Singapore	55.5%	PGMS
Agensi Pekerjaan Air Energy (Malaysia) Sdn Bhd	Malaysia	55.5%	PGMS
Pt Air Energy Indonesia Limited	Indonesia	28%	PGMS
Air Consulting Company Limited	Thailand *	27%	PGMS
Air Consulting Australia Pty Limited	Australia	55.5%	PGMS
Air Energi Pacifica Limited	Papua New Guinea	55.5%	PGMS
Air Energi Norway AS	Norway	55.5%	PGMS
Air Resources Qatar WLL	Qatar *	27%	PGMS
Air Energi Caspian LLP	Kazakhstan	55.5%	PGMS
Air Energi KSA	Saudi Arabia *	27%	PGMS
Air Energi UAE LLC	United Arab Emirates *	27%	PGMS
Air Energi France SAS	France	55.5%	PGMS
Air Energi Executive SAS	France	55.5%	PGMS
Hawa'a Al-Iraq for Management Services Limited	Iraq	55.5%	PGMS
Air Energi Kitco Limited	South Korea	55.5%	PGMS
Inspirec Limited	New Zealand	55.5%	PGMS
Marchfield Holdings Limited	England	55.5%	Dormant
Bellevue Resources Limited	England	55.5%	Dormant
Swift Worldwide Resources Midco Limited	England	55.5%	Holding company
Swift Worldwide Resources Australia Holdings Corp. PTY Limited	Australia	55.5%	Holding company
Swift Worldwide Resources Bidco Limited	England	55.5%	Holding company
Swift Worldwide Resources US Holdings Corp	USA	55.5%	Holding company
Swift Worldwide Resources UK Corp Limited	England	55.5%	Holding company
Swift Technical Group Holdings Limited	England	55.5%	Holding company
Swift Technical Holdings Limited	England	55.5%	Holding company
Swift Technical Group Limited	England	55.5%	Holding company
Swift Technical (Azerbaijan ) Limited	England	55.5%	PGMS
Swift Technical (Europe) Limited	England	55.5%	PGMS
Swift Technical (Nigeria) Limited	England	55.5%	PGMS
STS (London) Limited	England	55.5%	PGMS

## Air Energi Newco Limited

Notes forming part of the financial statements  
for the year ended 31 December 2019

### 7 Investments (Continued)

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Swift Engineering (Azerbaijan) Limited	England	55.5%	PGMS
Swift Technical (Operations) Limited	England	55.5%	PGMS
Swift Technical (Russia) Limited	England	55.5%	PGMS
Swift Technical Services LLC	USA	55.5%	PGMS
Singular Energy Resource Solutions LLC	USA	55.5%	PGMS
Swift Trustees Limited	England		Trustee company for
		55.5%	ESOP
Swift Technical (Australia) PTY Ltd	Australia	55.5%	PGMS
Swift Technical Servicos Tecnicos Especializados Ltda	Brazil		PGMS
		55.5%	
Swift Technical S A	Argentina	55.5%	PGMS
Swift Technical Colombia SAS	Columbia	55.5%	PGMS
Swift Technical Colombia Servicios Temporales SAS	Columbia	55.5%	PGMS
Swift Technical Trinidad Limited	Trinidad	55.5%	PGMS
Swift Oil and Gas Technical Service (Chengdu) Co. Limited	China		PGMS
		55.5%	
Swift Technical (Singapore) PTE Limited	Singapore	55.5%	PGMS
Swift Oil and Gas (Ghana) Limited	Ghana	55.5%	PGMS
Swift Technical Kuwait - LLC	Kuwait	55.5%	PGMS
Singular Energy Resource Solutions Ltd	England	55.5%	PGMS
Swift Technical LLC	Russia	55.5%	PGMS
Swift Engineering Consultants (Shanghai) Co Ltd	China	100%	PGMS
Swift Technical (Korea) Yuhan Hoesa	Korea	100%	PGMS
Airswift on Demand Labors Supply	United Arab Emirates	100%	PGMS
Air Employment Services Sweden Filial	Sweden	100%	PGMS
Swift Technical Norway AS	Norway	100%	PGMS
Swift Technical Energy Solutions Ltd	Nigeria	100%	PGMS
Air Consulting Senegal	Senegal	100%	PGMS
Airswift Consulting Tanzania Limited	Tanzania	85%	PGMS
Airswift Mexico S.deR.L.deC.V	Mexico	95%	PGMS
Air Resources LLC (Oman)	Oman	70%	PGMS
Air Energi Netherlands	Netherlands	100%	PGMS
Airswift - Mauritania - SARL	Mauritania	100%	PGMS
Airswift Consulting (B) Sdn Bhd - Brunei	Brunei	100%	PGMS
Airswift Consulting Uganda - SMC LTD	Uganda	100%	PGMS
Airswift Denmark ApS (Denmark)	Denmark	100%	PGMS
Airswift Est (Saudi Arabia)	Saudi Arabia	100%	PGMS
Airswift Guyana Inc	Guyana	100%	PGMS
Airswift-Embrace, Agencia Privada de Empleo, Limitada	Mozambique *	50%	PGMS
ASEM Mozambique LDA	Mozambique *	50%	PGMS
Ducatus Partners Limited (UK)	United Kingdom	100%	PGMS
Ducatus Partners LLC (Texas)	USA	100%	PGMS
Swift Angola. LDA	Angola *	49%	PGMS

\* is treated as a subsidiary undertaking because the company has the contractual power to exercise dominant influence and control over it.

Airswift Holdings Limited is held directly by the company. All other undertakings listed above are held indirectly. For all undertakings listed above, the country of operation is the same as the country of incorporation or registration. The registered addresses are shown in note 14.

## Air Energi Newco Limited

Notes forming part of the financial statements  
for the year ended 31 December 2019

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

	2019 £000	2018 £000
<b>Borrowings</b>		
Loan notes	70,350	63,731
	<u>70,350</u>	<u>63,731</u>
<b>Maturity of borrowing :</b>	<b>2019 £000</b>	<b>2018 £000</b>
In one year or less, or on demand	-	-
In more than one year but not more than two years	70,350	63,731
In more than two years but not more than five years	-	-
	<u>70,350</u>	<u>63,731</u>

The Loan Notes were novated from Air Energi Group Investments Limited as part of the past business re-organisation. The loan notes are redeemable on 6 January 2021. The majority Loan Note holders are entitled to and intend to extend the term of the Loan Notes to a date not later than April 2025 on or before 6 January 2021. Interest accrues at 10-15% on the Loan notes. Interest of £6,619,000 (2018: £5,988,000) accrued on the Loan Notes during the period. The interest accrued is payable on redemption.

### 9 Called-up share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
100 Ordinary equity shares of £1 each	100	100

### 10 Reserves

Accumulated losses/retained earnings represent retained profits/(losses) for the current and prior reporting periods.

### 11 Related party transactions

The company has taken advantage of the exemption conferred by FRS 101 paragraph 8(j) and 8(k) not to disclose key management personnel compensation or transactions and amounts due to and from fellow group companies that are wholly owned by the ultimate parent company.

### 12 Ultimate parent company and ultimate controlling party

The immediate parent company is Air Energi Group Holdings Limited, a company registered in England and Wales. After Legal and General Group PLC sold its entire shareholding in January 2018 there is no ultimate controlling party.

The largest group in which the results of the company are consolidated is that headed by Air Energi Group Holdings Limited. Copies of the consolidated accounts are available on Companies House. The smallest such group is headed by Airswift Holdings Limited.

### 13 Post balance sheet events

On 11 March 2020 the World Health Organisation declared the novel coronavirus (COVID-19) outbreak a global pandemic. COVID-19 is a non adjustment post balance sheet event. As at 31 December 2019 few cases had been confirmed and the virus was only just identified. COVID-19 is still a rapidly evolving situation for which the financial impact cannot currently be reliably measured.

The Company does not trade and therefore has not seen any impact as a result of the COVID-19. The board of directors are managing the situation closely to ensure the business can manage through any impacts that it may face as a result of the pandemic.

## Air Energi Newco Limited

Notes forming part of the financial statements  
for the year ended 31 December 2019

### 14 Registered addresses of subsidiary undertakings

Subsidiary undertakings	Registered address
Airswift Holdings Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Air Energi Group Investments Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Air Energi Holdings Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Air Energi Investments Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Air Energi Group Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Air Resources Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Air Resources Americas LLC	Suite 340, 6002 Rogerdale Road, Houston, TX 77072, USA
Airswift Canada Limited	Suite 200, Petro Fina Building, 736- 8th Avenue SW, Calgary, Alberta, T2P 1H4, Canada
Air Energi Group Singapore Pte Limited	1 Raffles Place, Tower 1 #39-03, Singapore, 048616 Singapore
Agensi Pekerjaan Air Energy (Malaysia) Sdn Bhd	16th Floor, Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur
Pt Air Energy Indonesia Limited	Alamanda Tower, 18th Floor, Unit B-C, Jl. TB Simatupang Kav 23-24, Jakarta 12430, Indonesia
Air Consulting Company Limited	399 Interchange 21, Level 33, Sukhumvit Road, North Klongtoey, Wattana, Bangkok 10110, Thailand
Air Consulting Australia Pty Limited	Level 8, 100 Edward Street, Brisbane, QLD 4000, Australia
Air Energi Pacifica Limited	Level 5, Cuthbertson House, Cuthbertson Street, Downtown Port Moresby, Port Moresby, Papua New Guinea
Air Energi Norway AS	Postboks 164, 4065, Stavanger
Air Resources Qatar WLL	3rd Floor, Qatar First Investment Bank, Al Jazeera Finance Building, Ring Road C, Doha, Qatar
Air Energi Caspian LLP	203 Office, 2nd Floor, 12A Abay St. 060002 Atyrau, Kazakhstan
Air Energi KSA LLC	King Abdullah Road, Dhahran Street, Middle East Commercial Center, Al Khobar 31952, Saudi Arabia
Air Energi UAE LLC	Office 903, 9th Floor, Al Falah Exchange Building, Electra Street, Abu Dhabi, United Arab Emirates
Air Energi France SAS	Tour Ariane, La Defense 9, 5 Place De La Pyramide Puteaux, 92088, Paris La Defense Cedex, France
Air Energi Executive SAS	Tour Ariane, La Defense 9, 5 Place De La Pyramide Puteaux, 92088, Paris La Defense Cedex, France
Hawa'a Al-Iraq for Management Services Limited	Suite 7, First Floor, Street 7, Section 925, Arassat Al-Hindeeya, Baghdad, Iraq
Air Energi Kitco Limited	Lotte Castle Sky Complex Bldg. 3F-308, 255-1, Seongnam-dong, Jung-gu, Ulsan, 681-822, Korea
Inspirec Limited	Unit 2, 28 Currie Street, New Plymouth, 4342
Marchfield Holdings Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Bellevue Resources Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Worldwide Resources Midco Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Worldwide Resources Australia Holdings Corp. PTY Limited	Level 2, 5 Mill Street, Perth, WA 6000
Swift Worldwide Resources Bidco Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Worldwide Resources US Holdings Corp	3050 Post Oak Boulevard, Suite 1450, Houston, TX 77056, USA
Swift Worldwide Resources UK Corp Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical Group Holdings Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical Holdings Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical Group Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical (Azerbaijan ) Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical (Europe) Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical (Nigeria) Limited	1690A Brimah Kenku Str, Victoria Island, Lagos, Nigeria

## Air Energi Newco Limited

Notes forming part of the financial statements  
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### 13 Registered addresses of subsidiary undertakings (continued)

Subsidiary undertakings	Registered address
STS (London) Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Engineering (Azerbaijan) Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical (Operations) Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical (Russia) Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical Services LLC	3050 Post Oak Boulevard, Suite 1450, Houston, TX 77056, USA
Singular Energy Resource Solutions LLC	3050 Post Oak Boulevard, Suite 1450, Houston, TX 77056, USA
Swift Trustees Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical (Australia) PTY Ltd	Level 2, 5 Mill Street, Perth, WA 6000
Swift Technical Servicios Tecnicos Especializados Ltda	Av Almirante Barroso, 63, . Office 410, 20031-003, Rio de Janeiro, 20031003 Brazil
Swift Technical SA	Maipu 741, piso 2 A, C1006ACI, Buenos Aires, Argentina
Swift Technical Colombia SAS	Calle 98 # 21 - 36 oficina 601 , Bogotá, Colombia
Swift Technical Colombia Servicios Temporales SAS	Calle 98 # 21 - 36 oficina 601 , Bogotá, Colombia
Swift Technical Trinidad Limited	54 Ariapita Ave, Woodbrook, Port of Spain, Trinidad, West Indies
Swift Oil and Gas Technical Service (Chengdu) Co. Limited	Room 1829, Level 18, the Office Tower, Shangri-la Center, No 9 Binjiang Road (east), Chengdu
Swift Technical (Singapore) PTE Limited	1 Raffles Place, Tower 1 #39-03, Singapore, 048616 Singapore
Swift Oil and Gas (Ghana) Limited	7, Djanie Ashie Avenue, East Legon, Madina DTD 238, Accra, Ghana
Swift Technical Kuwait - LLC	Airswift Office, Remal Mall 4th Floor, Office No 5 & 6, Fahaheel, Block 7 Street No. 109, Kuwait
Singular Energy Resource Solutions Ltd	Innova House, Innova Business Park, Kinetic Crescent, Enfield, Middlesex, EN3 7XH
Swift Technical LLC	Russia 107140, Moscow, 1st Krasnoselskiy side-street., 3, office 114
Swift Engineering Consultants (Shanghai) Co Ltd	Unit 2736, 27/F Pufa Tower, 588 South Pudong Road, Pudong New District
Swift Technical (Korea) Yuhan Hoesa	6F, 109 Munhyeon-ro, Dong-gu, Ulsan, 44107, Korea (Bangeodong, Royal Prince)
Airswift on Demand Labors Supply	Cayan Business Centre, Office 702, 7th Floor, Barsha Heights, PO Box 391325, Dubai
Air Employment Services Sweden Filial	c/o BDO Malardalen, Box 24193, 104 51 Stockholm
Swift Technical Norway AS	Verkgata 1A, 5th Floor, Stavanger, Norway
Swift Technical Energy Solutions Ltd	1690A Brimak Kenku Str, Victoria Island, Lagos, Nigeria
Air Consulting Senegal	No 16, Immeuble Hermes 1, Cite Keur Gorgui, Vdn, Dakar, Senegal
Airswift Consulting Tanzania Limited	11th Floor, Golden Jubilee Towers, Ohio Street, Dar es Salaam, Tanzania
Airswift Mexico S.deR.L.deC.V	Calle Lago Alberto, 442 - 403 Suite 571, Colonia ANAHUAC I SECCION, Miguel Hidalgo, Mexico DC (Tax Address)/
Air Resources LLC (Oman)	201 Al Mawaleh Al Janobia, Way: 17, Block no.: 17, Building no.: 17, Plot no.: 317, Muscat, Oman
Air Energi Netherlands	Mauritskade 5, 2514HC 's-Gravenhage
Airswift - Mauritania - SARL	80 ilot C - Rue 26 014 - Ksar Ouest, BP4897, 99999, Nouakchott, Mauritania
Airswift Consulting (B) Sdn Bhd - Brunei	Block C, Unit 3, 1st Floor, Lot 8981-8982, KG. Pandan, Jalan Kerma Negara, Kuala Belait KA1931, Brunei Darussalam
Airswift Consulting Uganda - SMC LTD	2nd Floor Legacy House, 38B Windsor Crescent, Kololo, Kampala
Airswift Denmark ApS (Denmark)	Hestedostevej 27-29, 2620 Albertlund
Airswift Est (Saudi Arabia)	Office (21-A), 3rd Flr, Middle East Bldg., PO Box 4977 Al-Khobar 31952, Kingdom of Saudi Arabia
Airswift Guyana Inc	Lot 210, New Market Street, Georgetown, Guyana
Airswift-Embrace, Agencia Privada de Empleo, Limitada	Av. 25 de Setembro, No. 1462, Correios de Moçambique, Maputo, Mozambique
ASEM Mozambique LDA	Av. 25 de Setembro, No. 1462, Correios de Moçambique, Maputo, Mozambique
Ducatus Partners Limited (UK)	42 New Broad Street, London, EC2M 1JD
Ducatus Partners LLC (Texas)	3050 Post Oak Boulevard, Suite 1450, Houston, TX 77056, USA
Swift Angola. LDA	Luanda Municipio de Luanda, Bairro e Distrito Urbano da Maianga, Rua Eduardo Mondlane n°s 120/122