

Company registration number: 11592588

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED

30 SEPTEMBER 2022

WOOD THILSTED LIMITED

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WOOD THILSTED LIMITED

COMPANY INFORMATION

Directors	C L Thilsted A M Wood
Company secretary	R J Jones
Registered number	11592588
Registered office	1st Floor 91 - 94 Lower Marsh London SE1 7AB
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor 1st Floor Midas House 62 Goldsworth Road Woking Surrey GU21 6LQ

WOOD THILSTED LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Accountants' Report	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8 - 16

WOOD THILSTED LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

Introduction

The directors present their report and the financial statement for the year ended 30 September 2022.

Business review

The principal activity of the company is to act as a holding company for other entities in the Wood Thilsted Group and in this role KPI reporting is not deemed relevant by management.

The company is an investment and financing vehicle only. ARC Topco Limited contains the full Group overview.

The total comprehensive income for the year amounts to £2,022,585.

Principal risks and uncertainties

Financial risk

The financial management goal is to protect the company from events that might hinder the achievement of the company's performance objectives either due to cash flow or counterparty risks. The company's principal financial instruments compromise of receivables, payments and shareholders' equity.

Interest rate risk

The Company financial liabilities are composed of loan notes bearing fixed interest rates and the revolving credit facility. The Group's exposure to market risk in relation to changes in interest rates relates primarily to a revolving credit facility secure in the financial year. The Group manages this risk through sensitivity analysis and seeks to maintain adequate headroom against an adverse move in base rates.

Exchange rate risk

The Company is not exposed to any significant foreign currency risk as most transactions are in GBP.

Liquidity Risk

Liquidity risk relates to the Company's ability to meet its cashflow requirements. The Company limits its liquidity risk by having matching non-current financial assets and liabilities.

Future developments

The financial platform of the Group remains robust and this enables continued investment in its people, technical development and services, to support the significant growth in demand seen from its customers. We are confident that these investments will create sufficient additional capacity to support this growth.

This report was approved by the board and signed on its behalf.

DocuSigned by:

Christian LeBlanc Thilsted

55759B5A53184C7.....

C L Thilsted

Director

Date: 30-Jun-2023

DocuSigned by:

Alastair Muir Wood

EAEEB41223314FF.....

A M Wood

Director

WOOD THILSTED LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their report and the financial statements for the year ended 30 September 2022.

Directors

The directors who served during the year were:

C L Thilsted
A M Wood

Principal activity

The principal activity of the Company and its subsidiaries is that of engineering consultancy in support of offshore wind projects.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £2,342,256 (2021 - loss £56,065).

The directors do not recommend payment of a dividend.

Matters covered in the Strategic report

The Company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 to set out within the company's Strategic Report the Company's Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008.

This includes information that would have been included in the business review and details of the principal risks and uncertainties.

WOOD THILSTED LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

This report was approved by the board and signed on its behalf.

DocuSigned by:
Christian LeBlanc Thilsted
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.....
C L Thilsted
Director

Date: 30-Jun-2023

DocuSigned by:
Alastair Muir Wood
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.....
A M Wood
Director

Date: 30-Jun-2023

WOOD THILSTED LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOOD THILSTED LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF WOOD THILSTED LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Wood Thilsted Limited for the year ended 30 September 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at:
www.icaew.com/en/members/regulations-standards-and-guidance/.

This report is made solely to the Board of Directors of Wood Thilsted Limited, as a body, in accordance with the terms of our engagement letter dated 25 July 2022. Our work has been undertaken solely to prepare for your approval the financial statements of Wood Thilsted Limited and state those matters that we have agreed to state to the Board of Directors of Wood Thilsted Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Wood Thilsted Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Wood Thilsted Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the Company's assets, liabilities, financial position and profit. You consider that Wood Thilsted Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Wood Thilsted Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

DocuSigned by:

Menzies LLP

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Menzies LLP

Chartered Accountants

1st Floor
Midas House
62 Goldsworth Road
Woking
Surrey
GU21 6LQ

Date: 30-Jun-2023

WOOD THILSTED LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Turnover	4	41,350	10,000
Gross profit		41,350	10,000
Administrative expenses		(699,620)	(66,065)
Operating loss	5	(658,270)	(56,065)
Income from fixed assets investments	7	3,000,000	-
Interest receivable and similar income	8	526	-
Profit/(loss) before tax		2,342,256	(56,065)
Profit/(loss) for the financial year		2,342,256	(56,065)
Other comprehensive income for the year			
Share based payment		(319,671)	-
Other comprehensive income for the year		(319,671)	-
Total comprehensive income for the year		2,022,585	(56,065)

The notes on pages 8 to 16 form part of these financial statements.

WOOD THILSTED LIMITED

REGISTERED NUMBER: 11592588

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022


	Note	2022 £	2021 £
Fixed assets			
Fixed asset investments	10	346,746	645,029
		<u>346,746</u>	<u>645,029</u>
Current assets			
Debtors: amounts falling due within one year	11	635,436	5,359
Bank and cash balances		117,359	247,003
		<u>752,795</u>	<u>252,362</u>
Creditors: amounts falling due within one year	12	(701,653)	(16,860)
Net current assets		<u>51,142</u>	<u>235,502</u>
Total assets less current liabilities		<u>397,888</u>	<u>880,531</u>
Net assets		<u>397,888</u>	<u>880,531</u>
Capital and reserves			
Called up share capital	13	105	100
Share premium account	14	94,767	-
Share based payment reserve	14	-	319,671
Profit and loss account	14	303,016	560,760
		<u>397,888</u>	<u>880,531</u>

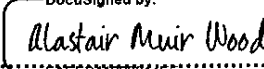
The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 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 by:

DocuSigned by:

 C L Thilsted
 Director

DocuSigned by:

 A M Wood
 Director

Date: 30-Jun-2023

Date: 30-Jun-2023

The notes on pages 8 to 16 form part of these financial statements.

WOOD THILSTED LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Called up share capital £	Share premium account £	Share based payment reserve £	Profit and loss account £	Total equity £
At 1 October 2020	100	-	59,867	616,825	676,792
Comprehensive income for the year					
Loss for the year	-	-	-	(56,065)	(56,065)
Share based payment movement	-	-	259,804	-	259,804
Total comprehensive income for the year	-	-	259,804	(56,065)	203,739
At 1 October 2021	100	-	319,671	560,760	880,531
Comprehensive income for the year					
Profit for the year	-	-	-	2,342,256	2,342,256
Share based payment movement	-	-	(319,671)	-	(319,671)
Total comprehensive income for the year	-	-	(319,671)	2,342,256	2,022,585
Dividends: Equity capital	-	-	-	(2,600,000)	(2,600,000)
Shares issued during the year	5	94,767	-	-	94,772
At 30 September 2022	105	94,767	-	303,016	397,888

The notes on pages 8 to 16 form part of these financial statements.

WOOD THILSTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. General information

Wood Thilsted Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The address of its registered office and principal place of business is disclosed on the company information page.

The company's principal activities and nature of its operations are disclosed 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 FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.3 Revenue

Turnover relates to management charges which are recognised in the period the cost relates.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

WOOD THILSTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.6 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.

2.7 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.

2.8 Share based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the subsidiary as a capital contribution, and presented as an increase in the parent company's investment in that subsidiary.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

WOOD THILSTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. Judgments in applying accounting policies 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 amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements:

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Investment impairment

The company makes an estimate of whether the investment they have made into a subsidiary company will be recoverable, based on future events. Where the value of the investment is deemed to have declined, a provision for impairment will be recognised. The carrying amount of fixed asset investments is disclosed in note 10.

Estimates and assumptions:

Share based payments

The fair value of share-based awards is measured using the Black-Scholes model which inherently makes use of significant estimates and assumptions concerning the future. Such estimates and assumptions include the expected life of the options and the number of employees that will achieve the vesting conditions. Further details of the share option scheme are given in note 15.

4. Turnover

The whole of the turnover is attributable to management charges.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	41,350	10,000
	<u>41,350</u>	<u>10,000</u>

5. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Exchange differences	82	-
Share based payment	319,671	259,804
	<u>319,671</u>	<u>259,804</u>

WOOD THILSTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

6. Directors' remuneration

The Company had no employees other than the directors who received no remuneration (2021 - £Nil).

7. Income from investments

	2022 £	2021 £
Dividends received from unlisted investments	3,000,000	-
	<u>3,000,000</u>	<u>-</u>

8. Interest receivable

	2022 £	2021 £
Interest receivable from group companies	526	-
	<u>526</u>	<u>-</u>

9. Dividends

	2022 £	2021 £
Dividends	2,600,000	-
	<u>2,600,000</u>	<u>-</u>

WOOD THILSTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

10. Fixed asset investments

	Investments in subsidiary companies £	Other investments £	Total £
Cost or valuation			
At 1 October 2021	619,097	25,932	645,029
Additions	3,587	17,801	21,388
Impairment	(319,671)	-	(319,671)
At 30 September 2022	<u>303,013</u>	<u>43,733</u>	<u>346,746</u>

The investment impairment relates to the closure of the EMI share option scheme available to employees of Wood Thilstead Partners Limited and Wood Thilsted APS.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Wood Thilsted Partners Limited	A	Ordinary	100%
Wood Thilsted APS	B	Ordinary	100%
Wood Thilsted Inc	C	Ordinary	100%
Wood Thilsted Poland	D	Ordinary	100%
Wood Thilsted South Korea	E	Ordinary	100%

A - 1st Floor, 91 - 94 Lower Marsh, London, England, SE1 7AB

B - Kathrinevej 1, 2900 Hellerup, Denmark

C - 1400 Hancock St., 4th Floor, Quincy, MA 02169

D - ul. Inflancka 4, 00-189 Warsaw

E - #603, 366 Cheonho-daero Seongdong-gu, Seoul, Korea

WOOD THILSTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

11. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	383,305	4,549
Other debtors	23,067	810
Prepayments and accrued income	229,064	-
	<u>635,436</u>	<u>5,359</u>

12. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	16,860
Amounts owed to group undertakings	701,653	-
	<u>701,653</u>	<u>16,860</u>

13. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
0 (2021 - 100) Ordinary shares of £1.00 each	-	100
5,000 (2021 - 0) A1 Ordinary shares of £0.01 each	50	-
5,000 (2021 - 0) A2 Ordinary shares of £0.01 each	50	-
515 (2021 - 0) B Ordinary shares of £0.01 each	5	-
	<u>105</u>	<u>100</u>

On 20 January 2022, there was a group restructure which led to 515 Class B Shares being issued. The restructure of the ordinary shares were into two classes: A1 and A2 shares. Each A1 Shares carry one vote. A2 and B Shares do not carry any voting rights.

Each ordinary share carries voting rights and there are no restrictions on the distributions of dividends.

WOOD THILSTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

14. Reserves

Share premium account

The share premium account records the amount paid above of the par value on the issue of Ordinary Share Capital.

Share based payment reserve

The expense in relation to options over the parent company's shares granted to employees of the company are recognised by the company as a capital contribution, and presented within the capital contribution reserve. In the parent company it is recognised in the share payment reserve.

Profit and loss account

Profit and loss reserves reflect cumulative profits and losses net of distributions to owners.

WOOD THILSTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

15. Share based payments

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	230.86	427	68.38	390
Granted during the year		-	537.16	148
Forfeited during the year	(230.85)	(20)		-
Exercised during the year	(177.62)	(221)	68.38	(111)
Expired during the year	(298.48)	(186)		-
Outstanding at the end of the year	-	-	230.86	427

Equity-settled share based payments have been made to certain employees of the group. The equity instruments issued are those of Wood Thilsted Limited.

The share options vest over a period of service by the employee (the 'vesting period'). The employee is entitled to exercise the share options between their vesting date and the tenth anniversary of the grant of the share option. Options are forfeited if the employee leaves the group before they become entitled to exercise the option.

The fair value of the options granted in the year was determined using the Black-Scholes model option pricing model using entity-specific observable market data. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

During the year 2021 options were exercised prior to the acquisition of the entity at an average price of 230.86, for a total price of £39,254.75. The scheme was then closed leading to 186 unvested options with an average price of £298.48, for a total price of £55,517.43 being forfeited. The total cash due from the option holders in relation to the unvested options was withheld from the cash proceeds paid to shareholders on acquisition.

	2022 £	2021 £
Equity settled share based payment movement	(319,671)	259,804
	(319,671)	259,804

16. Related party transactions

During the year the group paid dividends of £2,600,000 (2021: £Nil) to directors of the company.

The group and company have taken advantage of the exemption available under Section 33 of FRS 102 and have not disclosed details of transactions or balances with wholly-owned group companies.

WOOD THILSTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

17. Controlling party

The immediate parent company is ARC Bidco Limited.

During the year there was a group reconstruction which added ARC Topco Limited and 3 intermediate parent companies above Wood Thilsted Limited. The acquisition took place on 20 January 2022, with no change of overall control but a change in the parent company, as Wood Thilsted Limited no longer heads up the group.

The ultimate parent entity is ARC Topco Limited, and the financial statements of Wood Thilsted Limited are included in the consolidation. This is available at Companies House, Crown Way, Cardiff, CF14 3UZ.

The directors of the company deem Christian LeBlanc Thilsted and Alastair Muir Wood to be the ultimate controlling parties.