Registration number: 13178621

Harland and Wolff (Methil) Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2022

Harland and Wolff (Methil) Limited

Contents

Harland and Wolff (Methil) Limited

Company Information

Directors

Mr A S Raman

Mr J M Wood

Company secretary

Fieldfisher Secretaries Limited

Registered office

Fieldfisher LLP
Riverbank House
2 Swan Lane
London
EC4R 3TT

Accountants

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

Auditors

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

Harland and Wolff (Methil) Limited

Directors' Report for the Year Ended 31 December 2022

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

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

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

Mr A S Raman

Mr J M Wood

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

Principal activity
The principal activity of the company is that of fabrication work for the renewables, energy and defence sectors.

Business review

Fair review of the business

Harland & Wolff (Methil) Limited (HWM) is one of two Scottish sites of the Harland and Wolff Group Holdings plc. Methil, the larger of the two sites, during the year achieved revenue of £7.04million and experienced losses of £32.71 million.

HWM Ltd has been operating since February 2021 and over the period has been carrying out fabrication works on Neart na Gaoithe Offshore Wind Farm project located in the outer Firth of Forth in Scotland. This project was terminated at the end 2022 by mutual agreement with the client and, since then, the yard has various works planned over 2023 across various sectors including the fabrication of barges for the commercial maritime sector, equipment for the North Sea oil & gas sector, primary and secondary steel structures for the offshore renewables market and pontoons for the civil construction market. The costs associated with this termination are disclosed in note 5.

Over the course of 2021/2022 the Methil site has been the subject of significant capital investment which has seen the installation of carefully selected new plant and equipment such as the installation of a UK-first pipe profiling machine. Harland & Wolff has also invested to reduce our carbon footprint and 3 blast and paint facilities on the Methil site have been transferred over from diesel power to electric power with the installation of new compressors, compressor buildings and infrastructure along with several technological upgrades and ground refurbishments.

Principal risks and uncertainties

The board is responsible for the effectiveness of the Company's risk management activities and internal control processes. As a participant in the energy, renewables and defence sectors, the Company is exposed to a wide range of business risks in the conduct of its operations. The Company is exposed to financial, operational, strategic and external risks which are further described below. These risks are not exhaustive and additional risks or uncertainties may arise or become material in the future. A robust process of risk management and mitigation has been introduced into the business and all risks associated with the Company's business have been fully assessed.

Financing risk

Access to adequate working capital and financing for capital expenditure programmes in order to modernise the facilities are critical to our ability to pursue our existing and future projects and to continue as a going concern. A deterioration of the capital markets may reduce our ability to raise new equity funding. We work closely with our professional advisers and brokers to identify the optimum approach and timing to secure new equity financing to provide working capital. The Group seeks to manage risk for our shareholders by attracting investment through quality partners where possible thereby minimising our own commitments to pay project development costs. We do not make financial commitments unless such funding has been secured through joint venture partners or otherwise new investment in our projects or we have a high degree of confidence that it will be secured.

The directors continue to monitor liquidity and are dependent on the support of the parent company and wider group for supporting working capital and assurance requirements for Arnish.

Strategic and external risk

The Company has built a significant pipeline of opportunities since 2020 that it is pursuing. Further additions to that uncontracted pipeline will be made over the course of the next few years. There is no doubt that the amount of fabrication work available over the net decade far outstrips the capacity of the industry as a whole. Notwithstanding these opportunities, there is a risk that this pipeline may not materialise per the Company's expectations or will take longer than expected to come to fruition. This will have a bearing on the overall liquidity situation which can be mitigated through fresh infusion of debt and equity capital whilst contracts some to fruition. The Company is faced with a high inflation environment which is systemic rather than Company specific. Whilst the Company has taken several steps as outlined in the CFO report to mitigate the effects of a high inflation regime, there is a risk that the Company will need to absorb some of these increased costs that will reduce targeted gross margins.

Operational risk

Harland & Wolff has restructured its board of directors and senior management team to include individuals with relevant skills to manage the operational risks of our projects and ensure they are progressed in the shortest possible timescales in a cost-effective manner. We have built up our core competencies in project development and have developed excellent relationships with government and public stakeholders in the geographical areas in which we operate. The Company has a dedicated team or senior management professionals who have been tasked with recommending and implementing the Company's ESG metrics and policies. In addition, the Company has a mature HSE function that is involved in making sure that a robust safety culture is embedded across all sites.

Our management team works alongside strong and experienced joint venture partners in all projects and is supported by a highly effective network of carefully selected service delivery specialists such as environmental consultants, drilling engineering services and world class design engineers. In this way, we seek to mitigate the potential risk that we fail to be seen to be acting in a socially responsible manner and/or fail to maintain good local community relations.

Going concern

As explained in note 2, The financial information has been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial statements and perform scenario planning thereon. This information includes consideration of management prepared information both for the Company itself, its ultimate parent and the Group to which it belongs.

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

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

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

Dividends

The directors do not propose the payment of any dividend.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Post balance sheet events

There are no significant Post Balance Sheet Events

Reappointment of auditors

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

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

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Mr A S Raman
Director

Harland and Wolff (Methil) Limited

Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Harland and Wolff (Methil) Limited

Independent Auditor's Report to the Members of Harland and Wolff (Methil) Limited

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Material uncertainty related to going concern

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Other information

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

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

Independent Auditor's Report to the Members of Harland and Wolff (Methil) Limited (continued)

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Independent Auditor's Report to the Members of Harland and Wolff (Methil) Limited (continued)

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

• We determined the principal laws and regulations relevant to the company in this regard to be those arising from
- Companies Act 2006.
- United Kingdom Generally Accepted Accounting Practice
- UK Employment Laws and Health and Safety Regulations;
- UK Tax Laws;
- General Data Protection Regulations;
- Anti-Bribery Act;
- Anti-Money Laundering Regulations; and
- Environmental regulations

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

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

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

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

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

Independent Auditor's Report to the Members of Harland and Wolff (Methil) Limited (continued)

Use of our report

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

Joseph Archer

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

15 Westferry Circus
London
E14 4HD

Date: 27 October 2023

Harland and Wolff (Methil) Limited

Profit and Loss Account for the Year Ended 31 December 2022

	Note	12 months to 31 December 2022 £	11 months to 31 December 2021 £
Turnover	4	7,042,750	6,346,681
Cost of sales		(6,687,251)	(4,838,110)
Gross profit		355,499	1,508,571
Other operating expenses	5	(7,104,745)	(94,973)
		(6,749,246)	1,413,598
Administrative expenses		(24,970,640)	(4,330,546)
Other operating income	5	51,875	306,607
Operating loss	6	(31,668,011)	(2,610,341)
Interest receivable and similar income	7	935	-
Finance costs	8	(1,039,503)	(20,408)
Loss before tax		(32,706,579)	(2,630,749)
Tax on loss	11	-	-
Loss for the period		(32,706,579)	(2,630,749)

The notes on pages 14 to 33 form an integral part of these financial statements.

Harland and Wolff (Methil) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	12 months to 31 December 2022 £	11 months to 31 December 2021 £
Loss for the period	(32,706,579)	(2,630,749)
Total comprehensive loss for the period	(32,706,579)	(2,630,749)

There is no other comprehensive income in the period.

The notes on pages 14 to 33 form an integral part of these financial statements.

Harland and Wolff (Methil) Limited

(Registration number: 13178621)
Balance Sheet as at 31 December 2022

	Note	31 December 2022 £	31 December 2021 £
Fixed assets			
Intangible assets	12	198,371	150,000
Tangible assets	13	10,135,830	4,358,458
		10,334,201	4,508,458
Current assets			
Stocks	14	116,913	162,235
Trade and other debtors	15	2,344,319	3,859,486
Cash at bank and in hand	16	148	4,688,063
		2,461,380	8,709,784
Creditors: Amounts falling due within one year	17	(43,370,725)	(15,848,891)
Net current liabilities		(40,909,345)	(7,139,107)
Total assets less current liabilities		(30,575,144)	(2,630,649)
Creditors: Amounts falling due after more than one year	18	(4,762,084)	-
Net liabilities		(35,337,228)	(2,630,649)
Capital and reserves			
Called up share capital	22	100	100
Retained earnings		(35,337,328)	(2,630,749)
Shareholders' deficit		(35,337,228)	(2,630,649)

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

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

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Mr A S Raman
Director

Harland and Wolff (Methil) Limited

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

	Share capital £	Retained earnings £	Total £
Loss for the period	-	(2,630,749)	(2,630,749)
Total comprehensive income	-	(2,630,749)	(2,630,749)
New share capital subscribed	100	-	100
At 31 December 2021	100	(2,630,749)	(2,630,649)

	Share capital £	Retained earnings £	Total £
At 1 January 2022	100	(2,630,749)	(2,630,649)
Loss for the period	-	(32,706,579)	(32,706,579)
Total comprehensive income	-	(32,706,579)	(32,706,579)
At 31 December 2022	100	(35,337,328)	(35,337,228)

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

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

1 General information

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

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

The principal place of business is:
Wellesley Road
Leven
KY8 3RA
Scotland

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

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

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

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

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

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

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

2 Accounting policies (continued)

Financial reporting standard 101 - reduced disclosure exemptions

The company has applied disclosure exemptions available in the standard in the following areas:
- IFRS 7 disclosures regarding financial instruments;
- IFRS 13 disclosures on fair values;
- IFRS 15 disclosures regarding revenue from contracts with customers;
- IFRS 16 disclosures regarding leases;
- IAS 1 requirement to disclose the company's objectives, policies and processes for managing capital;
- IAS 7 requirement to produce a statement of cash flows and related notes;
- IAS 8 requirement to disclose information about the impact of standards not yet effective;
- IAS 24 requirement to disclose related party transactions;
- IAS 36 impairment of assets.

Going concern

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

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

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

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

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

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

2 Accounting policies (continued)

Changes to accounting policies, disclosures, standards and interpretations

(a) New and amended standards adopted by the Company

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

(b) New standards not yet adopted

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

Revenue

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

Performance obligations

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

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

Revenue recognition

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

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

• The customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs;

• The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

• The Company's performance does not create an asset with an alternative use to the Company and it has an enforceable right to payment for performance completed to date.

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

2 Accounting policies (continued)

For each performance obligation recognised over time, the Company recognises revenue using an input method, based on costs incurred in the period. Revenue and attributable margin are calculated by reference to reliable estimates of transaction price and total expected costs, after making suitable allowances or technical and other risks. Revenue and associated margin are therefore recognised progressively as costs are incurred, and as risks have been mitigated or retired. The Company has determined that this method appropriately depicts the Company's performance in transferring control of the goods and services to the customer.

If the overtime criteria for revenue recognition is not met, revenue is recognised at the point in time that control is transferred to the customer which is usually when legal title passes to the customer and the business has the right to payment.

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

Transaction price

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

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

Government grants

Government grants are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to the grant and that the grants will be received. Due to the Covid-19 pandemic and the closure of businesses under UK Government legislation, the Company utilised the Government support schemes: the furlough scheme whereby the Government contributed towards the wage costs of the Company and the local grants scheme awarded by local authorities. The amounts received are reported under other income in the financial statements. The income is reported in the period that the relief relates to.

2 Accounting policies (continued)

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

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

Tax
Tax expense represents the sum of the tax currently payable and any deferred tax. The taxable result differs from the net result as reported in the statement of comprehensive income 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 statement of financial position date.

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

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

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

2 Accounting policies (continued)

Intangible assets

Intangible assets are capitalised once it is probable that future economic benefits that are attributable to the assets will flow to the Company. The nature of these costs includes all direct costs incurred in project development, including any directly attributable finance costs.

Research and development activities

All research costs are expensed. Costs related to the development of products are capitalised when they meet the following conditions:

(i) It is technically feasible to complete the development so that the product will be available for use or sale.
(ii) It is intended to use or sell the product being developed.
(iii) The company is able to use or sell the product being developed.
(iv) It can be demonstrated that the product will generate probable future economic benefits.
(v) Adequate technical, financial and other resources exist so that product development can be completed and subsequently used or sold.
(vi) Expenditure attributable to the development can be reliably measured.

All other development expenditure is recognised as an expense in the period in which it is incurred.

An impairment test is performed annually and whenever events or circumstances arising during the development phase indicate that the carrying value of a development asset may exceed its recoverable amount. The aggregate carrying value is compared against the expected recoverable amount of the cash generating unit, generally by reference to the present value of the future net cash flows expected. The present value of future cash flows is calculated on the basis of future prices and cost levels as forecast at the statement of financial position date.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Trademarks	Not depreciated
Software	Over 5 years- Straight line basis

Tangible assets

Tangible assets is stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	Over 10 years - Straight line basis
Right of Use	Over the lease term
Fixtures, fittings & equipment	Over 5 years- Straight line basis

2 Accounting policies (continued)

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

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

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

Stocks
Stocks is stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the Stock to their present location and condition. At each reporting date, Stock is 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.

Trade payables
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

Borrowings
All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. 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 finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Defined contribution pension obligation
A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

2 Accounting policies (continued)

Leases

Definition

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the Company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the Company has the right to:

Obtain substantially all the economic benefits from the use of the underlying asset, and;· Direct the use of the underlying asset (e.g. direct how and for what purpose the asset is used)

Where contracts contain a lease coupled with an agreement to purchase or sell other goods or services (i.e., non-lease components), the Company has made an accounting policy election, by class of underlying asset, to account for both components as a single lease component.

Initial recognition and measurement

The Company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the Company's initial direct costs (e.g. commissions) and an estimate of restoration, removal and dismantling costs.

Subsequent measurement

After the commencement date, the group measures the lease liability by:
(a) Increasing the carrying amount to reflect interest on the lease liability;(
(b) Reducing the carrying amount to reflect the lease payments made; and
(c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are (presented separately as non-operating /included in finance cost) in the income statement, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

2 Accounting policies (continued)

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:
(a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
(b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The Company then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

2 Accounting policies (continued)

Short term and low value leases

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).
The company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements.

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
• Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
• Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
• Amounts expected to be payable by the Company under residual value guarantees;
• The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
• Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period.

Right-of-use assets are measured at cost which comprises the following:
• The amount of the initial measurement of the lease liability;
• Any lease payments made at or before the commencement date less any lease incentives received;
• Any initial direct costs; and
• Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

2 Accounting policies (continued)

Share capital

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

Financial instruments

Initial recognition

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

2 Accounting policies (continued)

Classification and measurement

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

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

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

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

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

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

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

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

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

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

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

2 Accounting policies (continued)

Derecognition

Financial assets

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

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

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

3 Critical accounting judgements and key sources of estimation uncertainty

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

Judgements
The assessment of whether costs incurred on development costs should be capitalised or expensed involves judgement. Any expenditure where it is not probable that future economic benefits will flow to the Company are expensed. Management considers the nature of the costs incurred and the stage of project development and concludes whether it is appropriate to capitalise the costs. The key assumptions depend on whether it is probable that the expenditure will result future economic benefits that are attributable to the assets.

Estimates
The assessment of capitalised project costs for any indications of impairment involves judgement. When facts or circumstances suggest that impairment exists, a formal estimate of recoverable amount is performed, and an impairment loss recognised to the extent that the carrying amount exceeds recoverable amount. Recoverable amount is determined to be the higher of fair value less costs to sell and value in use. The key assumptions are the net income expected to be generated from the facilities, the cost of construction and the date from which the facilities become operational.

Valuation of assets and Intercompany Balances
Management make judgements in respect of the valuation and carrying value of assets used in operations. A revaluation exercise was undertaken at the time of acquiring the assets. This revaluation was undertaken based on valuations provided by third party independent valuation experts. At the year-end management made a judgement that the basis for revaluations remained and that on the basis on future expected work there were no indications of impairment. Following the acquisition of assets, the Company has recorded further revenues for the period ended 31 December 2022.

Management, therefore, believe that the carrying value of the assets a true and fair reflection of the assets that are currently being used in operations and there are no indications of impairment.

4 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	12 months to 31 December 2022 £	11 months to 31 December 2021 £
Rendering of services	7,042,750	6,346,681

The above income is wholly generated in the UK.

5 Other operating expenses and income

The analysis of the Company's other operating expenses and income for the year is as follows:

(a) Other operating expenses

	12 months to 31 December 2022 £	17 months to 31 December 2021 £
Cost of discontinued contracts	6,409,363	-
Stock write down adjustments	(11,424)	-
Amortisation and depreciation	706,806	94,973
	7,104,745	94,973

During the year £6,409,363 was incurred in relation to non-capital development costs and increased labour costs to provide the Company with the ability to ramp up as quickly as possible for extensions to existing contracts and in anticipation of new contracts.

(a) Other operating income

	12 months to 31 December 2022 £	17 months to 31 December 2021 £
Miscellaneous other operating income	51,875	306,607
	51,875	306,607

6 Operating loss

Arrived at after charging:

	12 months to 31 December 2022 £	11 months to 31 December 2021 £
Depreciation expense	699,364	94,973
Amortisation expense	7,442	-
Costs of discontinued contracts	6,406,363	-
Foreign exchange gains	168,390	-

7 Interest receivable and similar income

	12 months to 31 December 2022 £	11 months to 31 December 2021 £
Interest income on bank deposits	935	-

8 Interest payable and similar expenses

	12 months to 31 December 2022 £	11 months to 31 December 2021 £
Other finance costs	582,677	19,966
Foreign exchange losses	-	442
Right of use lease interest	456,826	-
	1,039,503	20,408

9 Staff costs

The aggregate payroll costs were as follows;

	12 months to 31 December 2022 £	11 months to 31 December 2021 £
Wages and salaries	11,264,544	2,862,393
Social security costs	1,283,749	271,463
Other short-term employee benefits	16,645	5,012
Pension costs, defined contribution scheme	204,955	63,779
Redundancy costs	16,711	-
	12,786,604	3,202,647

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

	12 months to 31 December 2022 No.	11 months to 31 December 2021 No.
Management	3	-
Administration and support	3	2
Operations	237	47
	243	49

The Directors remuneration is paid through Harland & Wolff Group Holding PLC

10 Auditors' remuneration

	12 months to 31 December 2022 £	11 months to 31 December 2021 £
Audit of the financial statements	14,814	-

11 Income tax

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

The differences are reconciled below:

	12 months to 31 December 2022 £	11 months to 31 December 2021 £
Loss before tax	(32,706,579)	(2,630,749)
Corporation tax at standard rate	(6,214,250)	(499,842)
Decrease from effect of capital allowances depreciation	(93,944)	(714,168)
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	132,845	8,044
Increase from effect of unrelieved tax losses carried forward	6,219,076	1,247,508
Other tax effects for reconciliation between accounting profit and tax income	(43,727)	(41,542)
Total tax credit	-	-

No tax charge or credit arises in 2022 due to expenses not permitted for tax purposes and losses carried forward.

Factors that may affect the future tax charge
The Company has cumulative trading losses of £36,744,307 (2021: £4,012,328) which may reduce future tax charges. Future tax charges may also be reduced by capital allowances on cumulative capital expenditure.

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

11 Income tax (continued)

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

12 Intangible assets

	Trademarks £	Software costs £	Total £
Cost or valuation			
At 1 January 2022	150,000	-	150,000
Additions	-	55,813	55,813
At 31 December 2022	150,000	55,813	205,813
Amortisation			
Amortisation charge	-	7,442	7,442
At 31 December 2022	-	7,442	7,442
Carrying amount			
At 31 December 2022	150,000	48,371	198,371
At 31 December 2021	150,000	-	150,000

13 Tangible assets

	Furniture, fittings and equipment £	Right of use £	Plant and machinery £	Total £
Cost or valuation				
At 1 January 2022	-	-	4,453,431	4,453,431
Additions	23,385	5,331,603	1,121,748	6,476,736
At 31 December 2022	23,385	5,331,603	5,575,179	10,930,167
Depreciation				
At 1 January 2022	-	-	94,973	94,973
Charge for the period year	3,508	397,881	297,975	699,364
At 31 December 2022	3,508	397,881	392,948	794,337
Carrying amount				
At 31 December 2022	19,877	4,933,722	5,182,231	10,135,830
At 31 December 2021	-	-	4,358,458	4,358,458

Included within the net book value above is £2,401,947 (2021: £1,973,685) in respect of assets under construction.

Riverstone Credit Management LLC has a legal charge over the assets for the loan taken by the ultimate parent company.

14 Stocks

	31 December 2022 £	31 December 2021 £
Other inventories	116,913	162,235

15 Trade and other debtors

	31 December 2022 £	31 December 2021 £
Trade debtors	1,337,939	1,140,964
Amounts due from group undertakings	715,543	236,089
Other debtors	212,438	202,631
Accrued income	-	2,019,732
Prepayments	78,399	260,070
	2,344,319	3,859,486

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment

16 Cash at bank and in hand

	31 December 2022 £	31 December 2021 £
Cash at bank	148	4,688,063

17 Creditors: amounts falling due within one year

	31 December 2022 £	31 December 2021 £
Loans and borrowings	1,026,344	-
Trade creditors	12,615,222	3,937,131
Amounts due to group undertakings	23,122,729	8,868,454
Social security and other taxes	1,254,125	800,206
Outstanding defined contribution pension costs	43,547	7,978
Other creditors	526,526	113,359
Deferred income	628,062	-
Accrued expenses	4,154,170	2,121,763
	43,370,725	15,848,891

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment

18 Creditors: amounts falling due after more than one year

	31 December 2022 £	31 December 2021 £
Loans and borrowings	4,762,084	-

19 Loans and borrowings

	31 December 2022 £	31 December 2021 £
Current loans and borrowings		
Finance lease liabilities - right of use	1,026,344	-

	31 December 2022 £	31 December 2021 £
Non-current loans and borrowings		
Finance lease liabilities - right of use	4,762,084	-

20 Leases

Leases included in creditors

Right of use - Lease liabilities maturity analysis
A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	31 December 2022 £	31 December 2021 £
Less than one year	837,941	-
2-5 years	2,535,750	-
Over 5 years	5,478,250	-
Total lease liabilities (undiscounted)	8,851,941	-
Less lease interest	(3,063,513)	-
Total lease liabilities	5,788,428	-

Lease payments made during the year amounted to £305,903

21 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £204,955 (2021: £63,779).

Contributions totalling £43,547 (2021: £(7,978)) were payable to the scheme at the end of the year and are included in creditors.

22 Share capital

Allotted, called up and fully paid shares

	31 December 2022		31 December 2021	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

Authorised share capital

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

23 Post balance sheet events

There were no significant Post Balance Sheet Events.

24 Parent and ultimate parent undertaking

The company's immediate parent is Harland & Wolff Holdings Limited.

The ultimate parent is Harland & Wolff Group Holdings Plc.

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

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