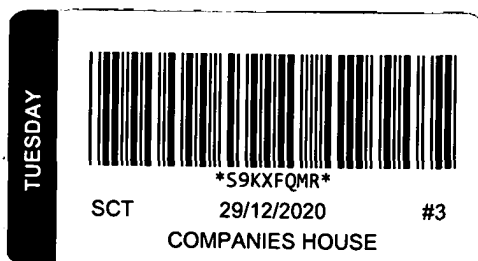


MOTIVE OFFSHORE GROUP LTD.
No. SC441249

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



MOTIVE OFFSHORE GROUP LTD.

COMPANY INFORMATION

Directors	James Gregg David Acton Declan Slattery	(Appointed 17 September 2020)
Secretary	Declan Slattery	
Company number	SC441249	
Registered office	Motive Services Cairnton Road Boyndie Banff Aberdeenshire AB45 2LR	
Business address	Cairnton Road Boyndie Banff Aberdeenshire AB45 2LR	
Auditor	Hall Morrice LLP 6 & 7 Queens Terrace Aberdeen AB10 1XL	
Bankers	Svenska Handelsbanken AB 22 Carden Place Aberdeen AB10 1UQ	

MOTIVE OFFSHORE GROUP LTD.

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MOTIVE OFFSHORE GROUP LTD.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Principal activities

The principal activities of the company and its subsidiaries are the design, manufacture, sale and hire of winches, flexible lay equipment, hydraulic power units and other associated marine equipment along with the provision of associated field service personnel. Over time, the company and its subsidiaries has expanded to include the provision of fabrication and machine services, wire spooling winches and associated equipment hire including skilled field technicians, inspection of lifting equipment & accessories and rope access services.

The company and its subsidiaries products and services serve the oil & gas, renewable & marine energy sectors, both on-shore and off-shore.

Fair review of the business

The directors review the business of the company and its subsidiaries on a regular basis and have taken such steps as they consider appropriate to match market requirements.

Lower oil prices reduce the level of business available to companies engaged in the oil and gas sector particularly oil field services suppliers exposed to new field developments. The directors have successfully reduced this exposure to new field developments by diversifying its revenue streams to capture brownfield and maintenance oil and gas spend as well as the growing offshore renewables market.

The directors are satisfied with the results and consider that the company and its subsidiaries are well placed to benefit from growth in the offshore renewables sector as well as a recovery in the energy sector. Although satisfied with the performance the directors are not complacent.

Principal risks and uncertainties

The company and its subsidiaries principal financial instruments consist of cash to provide finance for its normal trading operations, and of borrowings, the main purposes of which are to provide working capital for growth and finance the manufacture of equipment for the hire fleet.

The company and its subsidiaries have various other financial instruments such as trade debtors and creditors that arise directly from trading operations.

The activities of the group expose it to the financial risks of foreign currency fluctuations.

The directors are satisfied that appropriate risk management procedures are in place. The risks faced by the company and its subsidiaries include the uncertainty of the future price of hydrocarbons. A sustained, weak oil price and decreased work also leads to greater competition between, and reduced margins for, all companies in the market. The directors monitor such risks but cannot influence conditions in the market overall. Continuing to diversify into the offshore wind sector and other non-oil and gas marine opportunities provides a mitigation.

The concentration on the North Sea geographical area is a risk, in that it is a competitive market and mature oil and gas basin. However, this is mitigated by the groups established bases in the Middle East and Gulf of Mexico as well as a track record of supplying equipment and services to the major global offshore oil and gas regions. Increasing offshore wind activity also reduces the risk associated with the North Sea oil and gas economics.

The product range of the company and its subsidiaries is focused on the marine industry, but this risk is mitigated by continual improvement of product and expansion of product range and services.

Following the referendum decision to leave the EU, there may be increased political, currency and movement of personnel risks, and a reduction in the ability to recruit skilled labour from out with the UK.

Internally, the process of managing risk is addressed through a framework of policies and procedures and internal controls. All policies and procedures are subject to an ongoing review by management and subject to independent ISO certification. Compliance with regulation, health and safety, legal and ethical standards is a high priority for the directors.

The company reports quarterly on ESG performance indicators, with a view to continuously measure environmental and social impact and improve the ESG performance of the company.

MOTIVE OFFSHORE GROUP LTD.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Development and performance

The company's balance sheet position as at 31 December 2019 shows net liabilities of £44,598. Turnover of the company is £449,644, with an EBITDA for the period of £(58,984).

On behalf of the board

A handwritten signature in black ink, appearing to read 'D. Acton', with a stylized flourish at the end.

David Acton

Director

17 December 2020

MOTIVE OFFSHORE GROUP LTD.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Post balance sheet events review

After the closure of the 2019 financial year, there were no events that could have significant effects on the financial statements.

However, due to the uncertainty regarding the effects of the spread of Coronavirus and the consequent measures that have been put in place by the UK Government to combat it, the company has undertaken and continues to monitor the activity of reviewing the scenario and evaluating the management actions to mitigate the impact to the business. The company has adopted initiatives to safeguard the health of its people and actions aimed at maintaining operational activity. The effects of any adjustments to the financial statements are currently not determinable in light of the volatility of the scenario. These will be reflected in the 2020 results.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

James Gregg

David Acton

Declan Slattery

(Appointed 17 September 2020)

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £61,846 (2018 - £544,764). The directors do not recommend payment of a final dividend.

Auditor

The auditor, Hall Morrice LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

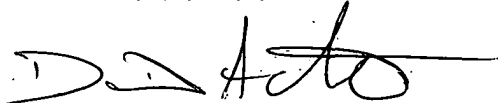
MOTIVE OFFSHORE GROUP LTD.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

A handwritten signature in black ink, appearing to read 'D. Acton', with a long horizontal stroke extending to the right.

David Acton

Director

17 December 2020

MOTIVE OFFSHORE GROUP LTD.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTIVE OFFSHORE GROUP LTD.

Opinion

We have audited the financial statements of Motive Offshore Group Ltd. (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

MOTIVE OFFSHORE GROUP LTD.

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MOTIVE OFFSHORE GROUP LTD.

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, as set out in the Directors' report, 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.

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

Use of our report

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

Robert J C Bain MA CA CTA

Senior Statutory Auditor

For and on behalf of Hall Morrice LLP

Statutory Auditor

Aberdeen

17 December 2020

MOTIVE OFFSHORE GROUP LTD.**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
Turnover	3	449,644	68,370
Cost of sales		(451,890)	(68,871)
Gross loss		(2,246)	(501)
Administrative expenses		(120,601)	(48,205)
Other operating income		32,049	13,701
Operating loss	4	(90,798)	(35,005)
Interest receivable and similar income	7	79,246	270,000
Interest payable and similar expenses	8	(36,298)	(3,824)
Amounts written off investments	9	(47,432)	(100)
(Loss)/profit before taxation		(95,282)	231,071
Tax on loss/profit	10	-	-
(Loss)/profit for the financial year and total comprehensive income		(95,282)	231,071

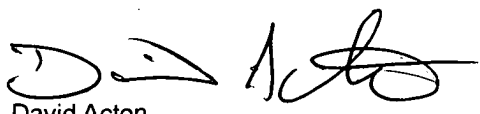
The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

MOTIVE OFFSHORE GROUP LTD.

**BALANCE SHEET
AS AT 31 DECEMBER 2019**

	Notes	£	2019 £	£	2018 £
Fixed assets					
Investments	12		1,490,275		441,450
Current assets					
Debtors	15	3,807,729		372,530	
Cash at bank and in hand		301,326		-	
		<u>4,109,055</u>		<u>372,530</u>	
Creditors: amounts falling due within one year	16	<u>(3,893,928)</u>		<u>(701,459)</u>	
Net current assets/(liabilities)			<u>215,127</u>		<u>(328,929)</u>
Total assets less current liabilities			<u>1,705,402</u>		<u>112,521</u>
Creditors: amounts falling due after more than one year	17		<u>(1,750,000)</u>		<u>-</u>
Net (liabilities)/assets			<u><u>(44,598)</u></u>		<u><u>112,521</u></u>
Capital and reserves					
Called up share capital	19		109		100
Profit and loss reserves	20		<u>(44,707)</u>		<u>112,421</u>
Total equity			<u><u>(44,598)</u></u>		<u><u>112,521</u></u>

The financial statements were approved by the board of directors and authorised for issue on 17 December 2020 and are signed on its behalf by:


David Acton
Director

Company Registration No. SC441249

MOTIVE OFFSHORE GROUP LTD.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2018		100	426,114	426,214
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	231,071	231,071
Dividends	11	-	(544,764)	(544,764)
Balance at 31 December 2018		100	112,421	112,521
Year ended 31 December 2019:				
Loss and total comprehensive income for the year		-	(95,282)	(95,282)
Issue of share capital	19	9	-	9
Dividends	11	-	(61,846)	(61,846)
Balance at 31 December 2019		109	(44,707)	(44,598)

MOTIVE OFFSHORE GROUP LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.
- The company has taken advantage not to disclose transactions and balances with other members of the group.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Motive Offshore Group Ltd. is a wholly owned subsidiary of Motive Offshore Group Holdings Limited and the results of Motive Offshore Group Ltd. are included in the consolidated financial statements of Motive Offshore Group Holdings Limited which are available from Motive Services Cairnton Road, Boyndie, Banff, Aberdeenshire, AB45 2LR.

MOTIVE OFFSHORE GROUP LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

1.2 Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue to trade. This assumption is based upon assurances received from the Group that it is their intention to provide such assistance as is required to enable the company to meet its financial commitments. If the company were unable to continue to trade, adjustments would have to be made to reduce the value of the assets to their recoverable amount and to provide for any further liabilities that might arise.

After the closure of the 2019 financial year, there were no events that could have significant effects on the company's financial statements.

However, due to the uncertainty regarding the effects of the spread of Coronavirus and the consequent measures that have been put in place by the UK Government to combat it, the company has undertaken and continues to monitor the activity of reviewing the scenario and evaluating the management actions to mitigate the impact to the business. The company has adopted initiatives to safeguard the health of its people and actions aimed at maintaining operational activity. The effects of any adjustments to the financial statements are currently not determinable in light of the volatility of the scenario. These will be reflected in the 2020 results.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the provision of services is recognised in the period to which it relates once it can be estimated reliably.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

MOTIVE OFFSHORE GROUP LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

MOTIVE OFFSHORE GROUP LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.9 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

MOTIVE OFFSHORE GROUP LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying 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.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expenses already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
Turnover analysed by class of business		
Engineering services	449,644	68,370
	<u> </u>	<u> </u>
	2019 £	2018 £
Other significant revenue		
Dividends received	79,246	270,000
	<u> </u>	<u> </u>
	2019 £	2018 £
Turnover analysed by geographical market		
UK	27,376	68,370
Europe	411,405	-
Rest of the world	10,863	-
	<u> </u>	<u> </u>
	449,644	68,370
	<u> </u>	<u> </u>

MOTIVE OFFSHORE GROUP LTD.**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019****4 Operating loss**

	2019	2018
	£	£
Operating loss for the year is stated after (crediting):		
Exchange gains	(11,049)	(4,755)
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	12,350	15,475
	<u> </u>	<u> </u>

In accordance with SI 2008/489 the company has not disclosed the fees payable to the company's auditor for 'Other services' as this information is included in the consolidated financial statements of Motive Offshore Group Holdings Limited.

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019	2018
	Number	Number
Operations	2	2
	<u> </u>	<u> </u>

7 Interest receivable and similar income

	2019	2018
	£	£
Income from fixed asset investments		
Income from shares in group undertakings	79,246	270,000
	<u> </u>	<u> </u>

8 Interest payable and similar expenses

	2019	2018
	£	£
Interest on bank overdrafts and loans	36,298	3,824
	<u> </u>	<u> </u>

MOTIVE OFFSHORE GROUP LTD.**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019****9 Amounts written off investments**

	2019 £	2018 £
Gain/(loss) on disposal of financial assets held at cost	-	(100)
Amounts written off current loans	(47,432)	-
	<u>(47,432)</u>	<u>(100)</u>

10 Taxation

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These changes included a reduction in the main rate to 17% from April 2020. In March 2020, the UK Government substantively enacted by a resolution under the Provisional Collection of Taxes Act 1968 to cancel the reduction in corporate tax rate, from 1 April 2020, and maintain the rate at 19%. Deferred taxes at the balance sheet date, in relation to UK companies, continue to be measured using tax rates enacted as at the balance sheet date (19%).

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
(Loss)/profit before taxation	<u>(95,282)</u>	<u>231,071</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19% (2018: 19%)	(18,104)	43,903
Tax effect of expenses that are not deductible in determining taxable profit	11,103	7,397
Tax effect of income not taxable in determining taxable profit	(15,057)	(51,300)
Unutilised tax losses carried forward	<u>22,058</u>	<u>-</u>
Taxation charge for the year	<u>-</u>	<u>-</u>

11 Dividends

	2019 £	2018 £
Interim paid	<u>61,846</u>	<u>544,764</u>

MOTIVE OFFSHORE GROUP LTD.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

12 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	13	1,489,429	440,552
Investments in joint ventures	14	846	898
		<u>1,490,275</u>	<u>441,450</u>

Movements in fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 January 2019	441,450
Additions	1,042,099
Exchange adjustments	6,726
At 31 December 2019	<u>1,490,275</u>
Carrying amount	
At 31 December 2019	<u>1,490,275</u>
At 31 December 2018	<u>441,450</u>

MOTIVE OFFSHORE GROUP LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Motive Engineering Ltd.	Scotland	Manufacture of marine deck equipment	Ordinary	100.00	-
Motive Fabrication Ltd	Scotland	Provision of fabrication services	Ordinary	100.00	-
Motive FZC	UAE	Rental of equipment to the oil and gas industry	Ordinary	100.00	-
Motive Renewable Energy Services Ltd	Scotland	Supply and maintenance of wind turbines	Ordinary	100.00	-
Motive Rentals AS	Norway	Rental of equipment and personnel to the oil and gas industry	Ordinary	100.00	-
Motive Rentals Ltd.	Scotland	Manufacture, sale and hire of marine deck equipment	Ordinary	100.00	-
Motive Spooling & Inspection Ltd.	Scotland	Manufacture, sale and hire of marine deck equipment	Ordinary	100.00	-
Motive Holdings Inc.	USA	Holding company	Ordinary	100.00	-
Motive Spooling & Inspection LLC	USA	Manufacture, sale and hire of marine deck equipment	Ordinary	100.00	-
Pumpstech AS	Norway	Provision of flexible flowlines and umbilical testing	Ordinary	100.00	-
Motive Saudi Arabia Co	Saudi Arabia	Provision of oil and gas exploration	Ordinary	100.00	-
Motive Resources Ltd.	Scotland	Management of human resources function	Ordinary	100.00	-

14 Joint ventures

Details of the company's joint ventures at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Interest held	% Held	
				Direct	Indirect
Euro Winch Holdings BV	Netherlands	Manufacture, sale and hire of marine deck equipment	Ordinary	-	50.00

MOTIVE OFFSHORE GROUP LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

15 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	365,560	68,817
Amounts owed by group undertakings	3,310,675	300,915
Other debtors	66,031	1,980
Prepayments and accrued income	65,463	818
	<u>3,807,729</u>	<u>372,530</u>

16 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans and overdrafts	18	750,000	373,753
Trade creditors		23,295	58,718
Amounts owed to group undertakings		3,006,411	81,425
Taxation and social security		-	97,302
Other creditors		40,199	51,734
Accruals and deferred income		74,023	38,527
		<u>3,893,928</u>	<u>701,459</u>

17 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans and overdrafts	18	1,750,000	-
		<u>1,750,000</u>	<u>-</u>

18 Loans and overdrafts

	2019 £	2018 £
Bank loans	2,500,000	-
Bank overdrafts	-	373,753
	<u>2,500,000</u>	<u>373,753</u>
Payable within one year	750,000	373,753
Payable after one year	1,750,000	-
	<u>2,500,000</u>	<u>373,753</u>

The bank loan is secured by a bond and floating charge over all assets and undertakings of the company which is supported by a cross guarantee with fellow group companies.

The bank loan is to be repaid 3 years from the date on which the first advance is made. Interest is charged at 3.25% over LIBOR.

MOTIVE OFFSHORE GROUP LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

19 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
10,872 (2018: 100) Ordinary shares of 1p each	109	100
	<u>109</u>	<u>100</u>

On 8 March 2019 the company subdivided its 100 Ordinary £1-shares into 10,000 1p Ordinary shares. Also on this date the company allotted 872 Ordinary Shares of 1p each at par.

20 Profit and loss reserves

This reserve records the accumulated distributable profits made by the company net of distributions to shareholders.

21 Related party transactions

The following amounts were outstanding at the reporting end date:

	2019 £	2018 £
Amounts due to related parties		
Other related parties	-	12,009
	<u>-</u>	<u>12,009</u>

22 Directors' transactions

Dividends totalling £61,846 (2018 - £544,764) were paid in the year in respect of shares held by the company's directors.

As at 31 December 2019 the company was due the directors £nil (2018 - £37,744). The loans are interest free and there are no set repayment terms.

23 Ultimate controlling party

Motive Offshore Group Ltd. is a wholly owned subsidiary of the ultimate parent company, Motive Offshore Group Holdings Limited, a company incorporated in Scotland.

The largest group in which the financial results of the company are consolidated is that headed by Motive Offshore Group Holdings Limited, a company incorporated in Scotland. No other group financial statements include the results of the company. The consolidated accounts for Motive Offshore Group Holdings Limited are available to the public and a copy may be obtained from Motive Services Cairnton Road, Boyndie, Banff, Aberdeenshire, AB45 2LR.

24 Company information

Motive Offshore Group Ltd. is a private company limited by shares incorporated in Scotland. The registered office is Motive Services Cairnton Road, Boyndie, Banff, Aberdeenshire, AB45 2LR.