

INTEROCEAN GROUP SERVICES LIMITED (FORMERLY LIONEL BIDCO LIMITED)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

INTEROCEAN GROUP SERVICES LIMITED (FORMERLY LIONEL BIDCO LIMITED)

COMPANY INFORMATION

Directors	P W Czarencki (appointed 8 September 2023) F Moore (appointed 8 September 2023)
Company secretary	Burness Paull LLP
Registered number	SC484003
Registered office	2 Marischal Square Broad Street Aberdeen AB10 1DQ
Independent auditor	Anderson Anderson & Brown Audit LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Introduction

Interocean Group Services Limited (formerly Lionel Bidco Limited) is part of Rigmar Group (Holdings) Limited ("the Group") which was incorporated on 8 August 2014 with the aim of providing market leading technical services for marine operations and asset integrity. The Group has continued to extend its offering of technical services across assets classes and geographies focusing on extending the asset life and operational uptime of clients' assets. The company's principal activity is that of a centralised management company.

Business review

The Group's financial performance was significantly impacted by the COVID 19 pandemic with a number of projects delayed until restrictions could be lifted, however, it continued to trade, albeit at a reduced level of activity with a view to taking advantage of future opportunities and has been able to add to its asset base during 2022 to utilise new technology and reduce operating costs.

Principal risks and uncertainties

The principal business risks and uncertainties affecting the company are considered to relate to competition from similar business, activity levels within the oil and gas sector and the volatility in the oil price.

Financial key performance indicators

The directors monitor turnover and profitability as key performance indicators. The directors believe the profit and loss account presented gives sufficient information to assess performance.

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

.....
F Moore
Director

Date: 26 April 2024

INTEROCEAN GROUP SERVICES LIMITED (FORMERLY LIONEL BIDCO LIMITED)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

Results and dividends

The profit for the year, after taxation, amounted to £NIL (2021 - loss £15,965,383).

The directors do not propose payment of a dividend (2021 - £NIL).

Directors

The directors who served during the year were:

W R Donaldson (resigned 15 February 2024)

J A Wilson (resigned 8 September 2023)

K W Nelson (resigned 8 September 2023)

Future developments

On 8 September 2023, Interocean Group Services Limited (formerly Lionel Bidco Limited), together with its underlying subsidiaries was acquired by Interocean Holdings Limited ("Interocean"), a connected party.

Interocean is working toward transforming the group into becoming the specialist provider of support services to the Offshore Energy, Marine and Renewable sectors and positioning itself for a strong 2024 with new leadership and a new brand.

This reflects the groups future offerings being not only in Energy and Marine, but also a growing footprint in the renewable sector.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

On 8 September 2023, the company's immediate parent entity, Lionel Midco Limited, sold its investment in Interocean Group Services Limited and all its underlying subsidiaries for £1 consideration to Interocean Holdings Limited, a connected party. Prior to the sale transaction, all related party balances and loan balances were written off and the security on the loans extinguished.

Auditor

The auditor, Anderson Anderson & Brown Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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

.....
F Moore
Director

Date: 26 April 2024

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEROCEAN GROUP SERVICES LIMITED (FORMERLY LIONEL BIDCO LIMITED)

Opinion

We have audited the financial statements of Interocean Group Services Limited (Formerly Lionel Bidco Limited) (the 'company') for the year ended 31 December 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2022 and of its result 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 United Kingdom, including the Financial Reporting Council'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 2.4 in the financial statements, which indicates that the group relies on the support of its controlling party, The Lamia Trust, who have provided a non-enforcement letter to the group, agreeing not to require the repayment of the £1m loan until the group is in a position to do so which will allow Interocean Group Services Limited to meet its liabilities as they fall due for at least 12 months from the date of these financial statements. As stated in 2.4, these events or conditions, along with the other matters as set forth in note 2.4, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEROCEAN GROUP SERVICES LIMITED (FORMERLY LIONEL BIDCO LIMITED) (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and 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.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 set out on page 4, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEROCEAN GROUP SERVICES LIMITED (FORMERLY LIONEL BIDCO LIMITED) (CONTINUED)

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:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were the Companies Act 2006 and UK Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the company's key performance indicators to meet targets; and
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the company needs to comply with for the purpose of trading

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness
- Enquiries of management about litigation, claims and inspection of relevant correspondence; and
- Reviewing minutes of meetings of those charged with governance to identify any matters indicating actual or potential fraud.

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 INTEROCEAN GROUP SERVICES LIMITED (FORMERLY LIONEL BIDCO 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.

James Pirrie (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown Audit LLP

Statutory Auditor

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

26 April 2024

INTEROCEAN GROUP SERVICES LIMITED (FORMERLY LIONEL BIDCO LIMITED)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	1,117,572	1,098,605
Gross profit		<u>1,117,572</u>	<u>1,098,605</u>
Administrative expenses		(252,536)	(245,238)
Operating profit	5	<u>865,036</u>	<u>853,367</u>
Impairment of fixed asset investments		-	(15,965,383)
Interest payable and expenses	8	(865,036)	(853,367)
Profit/(loss) before tax		<u>-</u>	<u>(15,965,383)</u>
Tax on profit/(loss)	9	-	-
Profit/(loss) for the financial year		<u><u>-</u></u>	<u><u>(15,965,383)</u></u>

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 12 to 25 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	10	1	1
		<u>1</u>	<u>1</u>
Current assets			
Debtors: amounts falling due within one year	11	15,865,383	13,313,121
Cash at bank and in hand	12	1,122	1,122
		<u>15,866,505</u>	<u>13,314,243</u>
Creditors: amounts falling due within one year	13	(10,153,199)	(9,610,440)
Net current assets		<u>5,713,306</u>	<u>3,703,803</u>
Total assets less current liabilities		<u>5,713,307</u>	<u>3,703,804</u>
Creditors: amounts falling due after more than one year	14	(329,319)	(12,611,856)
Net assets/(liabilities)		<u><u>5,383,988</u></u>	<u><u>(8,908,052)</u></u>
Capital and reserves			
Called up share capital	17	14,303,004	10,964
Share premium account		10,952,726	10,952,726
Profit and loss account		(19,871,742)	(19,871,742)
		<u><u>5,383,988</u></u>	<u><u>(8,908,052)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by 26 April 2024.

.....
F Moore
Director

The notes on pages 12 to 25 form part of these financial statements.

INTEROCEAN GROUP SERVICES LIMITED (FORMERLY LIONEL BIDCO LIMITED)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2021	10,964	10,952,726	(3,906,359)	7,057,331
Loss for the year	-	-	(15,965,383)	(15,965,383)
At 1 January 2022	10,964	10,952,726	(19,871,742)	(8,908,052)
Shares issued during the year	14,292,040	-	-	14,292,040
At 31 December 2022	<u>14,303,004</u>	<u>10,952,726</u>	<u>(19,871,742)</u>	<u>5,383,988</u>

The notes on pages 12 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

Interocean Group Services Limited (formerly Lionel Bidco Limited) is a limited liability company incorporated in Scotland. The registered office is 2 Marischal Square, Broad Street, Aberdeen, AB10 1DQ.

The company's principal activity is that of a centralised management company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of Rigmar Group (Holdings) Limited as at 31 December 2022 and these financial statements may be obtained from 2 Marischal Square, Broad Street, Aberdeen, AB10 1DQ.

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.4 Going concern

At the year end, the company has net assets of £5.4m (2021 - net liabilities £8.9m). Included within this balance is £6.9m of loans (2021 - £6.9m) and £0.3m of intercompany creditors (2021 - £12.6m) which have been written off as part of the group restructure on 8 September 2023.

The directors, having made due and careful enquiry including the preparation of detailed forecasts, review of the order book and anticipated market conditions, are of the opinion that the company has adequate working capital to execute their operations over the next 12 months.

Financial projections have been prepared for the group for 2024 which anticipate improving market conditions. The financial statements have been prepared on a going concern basis due to the provision of a revolving credit facility and other support provided by their investors as part of the group restructure.

The directors remain confident that the group can continue to operate as a going concern. This assessment is based on the understanding that the wider group will continue to trade over the coming months and that the ultimate controlling party, The Lamia Trust, have provided a non-enforcement letter to the group, agreeing not to require the repayment of the £1m loan until the group is in a position to do so which will allow Interocean Group Services Limited to meet its liabilities as they fall due for at least 12 months from the date of these financial statements.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2.5 Revenue

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

Rendering of services

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

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

2.6 Finance costs

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

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

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

2.11 Cash and cash equivalents

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

2.12 Creditors

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.13 Financial instruments

The company has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company’s Statement of financial position 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 trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The company’s cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

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 the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.13 Financial instruments (continued)

recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

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

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

The preparation of financial statements, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of financial position date and the amounts reported during the year for revenue and costs. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements and estimates have had the most significant impact on amounts recognised in the financial statements.

Carrying value of investments

The company holds investments in subsidiary companies and management assess whether any impairment has occurred annually. The carrying value of investments are based on various factors, such as trading performance of the company, net assets and future projections. See note 10 for the net carrying amount of investments and associated impairment provisions.

4. Turnover

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

	2022 £	2021 £
Management charges	1,117,572	1,098,605
	<u>1,117,572</u>	<u>1,098,605</u>

All turnover arose within the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Defined contribution pension cost	<u>13,125</u>	<u>17,476</u>

6. Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	8,550	7,500

The company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent company.

7. Employees

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	197,500	202,030
Social security costs	24,508	18,701
Cost of defined contribution scheme	13,125	17,476
	<u>235,133</u>	<u>238,207</u>

The above costs relate to directors and key management during the year.

The highest paid director received remuneration of £107,500 (2021 - £110,765) and pension contributions of £1,321 (2021 - £1,319) during the year.

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

	2022	2021
	No.	No.
Directors	<u>4</u>	<u>4</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Interest payable and similar expenses

	2022 £	2021 £
Other loan interest payable	865,036	853,367
	<u>865,036</u>	<u>853,367</u>

9. Taxation

	2022 £	2021 £
Current tax on profits for the year	-	-
Total current tax	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

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

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	<u>-</u>	<u>(15,965,383)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	-	(3,033,423)
Effects of:		
TBC	-	3,033,423
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The March 2021 budget announced an increase to the main rate of corporation tax to 25% from April 2023. This increase in rate will have an impact on future tax charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	19,865,384
	<hr/>
At 31 December 2022	19,865,384
	<hr/>
Impairment	
At 1 January 2022	19,865,383
	<hr/>
At 31 December 2022	19,865,383
	<hr/>
Net book value	
At 31 December 2022	<hr/> <hr/> 1
At 31 December 2021	<hr/> <hr/> 1

INTEROCEAN GROUP SERVICES LIMITED (FORMERLY LIONEL BIDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Rigmar Services Limited	Supply of engineering works and non-destructive testing on oil rigs and civil engineering projects	Ordinary	100 %
Interocean Marine Services Limited	Marine consultancy and offshore services to the worldwide oil and gas renewables market	Ordinary	100 %
Rigmar Fabrication Limited	In liquidation	Ordinary	100 %
Interocean Marine Services (Canada) Incorporated*	Marine consultancy and offshore services to the worldwide oil and gas renewables market	Ordinary	100 %
Rigmar Middle East Oil Field Services L.L.C.**	Consultancy and offshore services to the worldwide oil and gas market	Ordinary	100 %
Rigmar Marine Consultancy DMCC	Marine consultancy and offshore services to the worldwide oil and gas market	Ordinary	100 %
Sphere Offshore Solutions Inc	Consultancy and offshore services to the worldwide oil and gas market	Ordinary	100 %
Terraocean Limited	Renewables company	Ordinary	100 %

INTEROCEAN GROUP SERVICES LIMITED (FORMERLY LIONEL BIDCO LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
Subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Rigmar Services Limited	(14,829,271)	(724,425)
Interocean Marine Services Limited	2,461,606	(614,746)
Rigmar Fabrication Limited	(260,638)	-
Interocean Marine Services (Canada) Incorporated*	(194,828)	(1,052)
Rigmar Middle East Oil Field Services L.L.C.**	(168,183)	(1,348)
Rigmar Marine Consultancy DMCC	(406,154)	(138,936)
Sphere Offshore Solutions Inc	(30,802)	(56,802)
Terraocean Limited	(678,779)	(684,474)

*Held via Interocean Marine Services Limited

**Held via Rigmar Services Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	15,827,397	13,275,135
Other debtors	37,986	37,986
	<u>15,865,383</u>	<u>13,313,121</u>

12. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	1,122	1,122
	<u>1,122</u>	<u>1,122</u>

13. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	6,925,604	6,925,604
Trade creditors	810	810
Amounts owed to group undertakings	839,162	839,162
Other creditors	1	-
Accruals and deferred income	2,387,622	1,844,864
	<u>10,153,199</u>	<u>9,610,440</u>

14. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Amounts owed to group undertakings	329,319	12,611,856
	<u>329,319</u>	<u>12,611,856</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Amounts owed to group undertakings	6,925,604	6,925,604
	<u>6,925,604</u>	<u>6,925,604</u>

16. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>1,122</u>	<u>1,122</u>

Financial assets measured at fair value through profit or loss comprise cash at bank.

17. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
14,303,004 (2021 - 10,964) Ordinary shares of £1.00 each	<u>14,303,004</u>	<u>10,964</u>

During the year, 14,292,040 Ordinary shares were issued for £1 each.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Securities

The company has provided a cross guarantee to Lionel Midco Limited, Rigmar Services Limited, Interocean Marine Services Limited and Rigmar Fabrication Limited which is supported by a bond and floating charge over all assets of the group in respect of indebtedness under the group funding facilities.

As 31 December 2022 the total indebtedness in respect of this guarantee was £6,925,604 (2021 - £6,925,604).

The company has provided a second ranking floating charge over all assets of the group in respect of the indebtedness under the £1,525,000 of convertible loan notes issued during 2016 and 2017.

On 8 September 2023, the company's parent entity Lionel Midco Limited, sold its investment in Interocean Group Services Limited and all its underlying subsidiaries for £1 consideration. Prior to the sale transaction, all related party balances and loan balances were written off and the security on the loan extinguished.

19. Pension commitments

The company contributes to a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,446 (2021 - £17,475). Contributions totalling £Nil (2021 - £Nil) were payable to the fund at the reporting date.

20. Related party transactions

Control

Throughout the period the company was controlled by the directors.

Transactions

The company has taken advantage of FRS 102 section 33 paragraph (a), which allows exemption from disclosure of related party transactions with other group companies.

21. Post balance sheet events

On 8th September 2023, the company's immediate parent entity, Lionel Midco Limited, sold its investment in the company and all its underlying subsidiaries for £1 consideration. Prior to the sale transaction, all related party balances and loan balances were written off and the security on the loans extinguished.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. Controlling party

The company's immediate parent company was Lionel Midco Limited, a company registered in Scotland, and the company's ultimate parent company is Rigmar Group (Holdings) Limited, a company incorporated in Scotland.

The largest and smallest group that the results of the company are consolidated in is Rigmar Group (Holdings) Limited. A copy of their financial statements can be obtained from the Companies House website.

As part of an internal group reorganisation, on 8 September 2023, the company's parent, Lionel Midco Limited, sold its investment in Interocean Group Services Limited and all its underlying subsidiaries for £1 consideration to Interocean Holdings Limited.

Until 8 September 2023, the company's controlling party was EG Momentum L.P., a company incorporated in Guernsey. From 8 September 2023, the company's controlling party is The Lamia Trust, a trust registered in Guernsey.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.