

REGISTERED NUMBER: 08384842 (England and Wales)

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
AQUALIS OFFSHORE UK LTD**



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FOR THE YEAR ENDED 31 DECEMBER 2022**

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AQUALIS OFFSHORE UK LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS:	Mr R Segal Mr I Cummins
REGISTERED OFFICE:	1st Floor The Northern & Shell Building 10 Lower Thames Street London EC3R 6EN
REGISTERED NUMBER:	08384842 (England and Wales)
SENIOR STATUTORY AUDITOR:	Lisa Wilson FCA
AUDITORS:	Rothmans Audit LLP Statutory Auditors Chartered Accountants Chilworth Point 1 Chilworth Road Southampton SO16 7JQ

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

DIRECTORS

Mr R Segal has held office during the whole of the period from 1 January 2022 to the date of this report.

Other changes in directors holding office are as follows:

Mr I Cummins - appointed 5 December 2022

Mr J D P Wells ceased to be a director after 31 December 2022 but prior to the date of this report.

POLITICAL DONATIONS AND EXPENDITURE

The company did not make any political donations or incur any political expenditure during the year.

GOING CONCERN

The entity transferred a significant portion of the trade to a fellow subsidiary on 31 March 2021, with a view to the future closure of the company. As such, we do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

During the period and up to the date of the signing of this director's report there were no qualifying indemnity provisions in force in respect of directors or former directors of the Company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The directors who held office at the date of approval of this directors' report confirm that, so far as each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware on any relevant audit information and to establish the company's auditor is aware of that information.

AQUALIS OFFSHORE UK LTD (REGISTERED NUMBER: 08384842)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
Mr I Cummins - Director

Date:27/9/23.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AQUALIS OFFSHORE UK LTD

Opinion

We have audited the financial statements of Aqualis Offshore UK Ltd (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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 Auditors' 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.

Emphasis of matter

We draw attention to the Basis of Preparation note within Accounting Policies in the financial statements which explains that the entity has transferred a significant portion of its trade to a fellow subsidiary. As such, the Directors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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.

Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has 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 Report of the Directors.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AQUALIS OFFSHORE UK LTD

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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.

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit, in respect of fraud or error are:

- > To identify and assess the risks of material misstatement of the financial statements due to fraud.
- > To obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses.
- > To respond appropriately to fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

- > Enquiring of management, including obtaining and reviewing supporting documentation, concerning the Group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- > Discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud.
- > Obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on operations. The key laws and regulations we considered in this context included the Companies Act 2006, sanctions and conflict checks and quality standards.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income and the override of controls by management. To address the risk of fraud in these areas, we:

- > Reviewed all material estimates affecting income, including recoverability of debtors and completeness and accuracy of deferred and accrued income;
- > Selected a sample of transactions from material income streams and compared expected income to that recorded within the financial statements;
- > Tested journal entries during the year and at the year-end to identify unusual transactions;
- > Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- > Investigated the rationale behind significant or unusual transactions.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AQUALIS OFFSHORE UK LTD**


There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Report of the Auditors.

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 a Report of the Auditors 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.



Lisa Wilson FCA (Senior Statutory Auditor)
for and on behalf of Rothmans Audit LLP
Statutory Auditors
Chartered Accountants
Chilworth Point
1 Chilworth Road
Southampton
SO16 7JQ

Date: 29 September 2023

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

	Notes	2022 £	2021 £
TURNOVER	4	584,389	1,435,659
Cost of sales		410,978	1,150,545
GROSS PROFIT		173,411	285,114
Administrative expenses		113,808	218,931
OPERATING PROFIT		59,603	66,183
Interest payable and similar expenses	6	77,661	71,883
LOSS BEFORE TAXATION	7	(18,058)	(5,700)
Tax on loss	8	-	-
LOSS FOR THE FINANCIAL YEAR		(18,058)	(5,700)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(18,058)	(5,700)

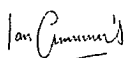
The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Owned					
Tangible assets	9		-		-
Right-of-use					
Tangible assets	9, 14		-		11,222
			<u>-</u>		<u>11,222</u>
			-		11,222
CURRENT ASSETS					
Debtors	10	682,343		588,924	
Cash at bank	11	138,629		68,508	
		<u>820,972</u>		<u>657,432</u>	
CREDITORS					
Amounts falling due within one year	12	1,145,050		974,674	
		<u>1,145,050</u>		<u>974,674</u>	
NET CURRENT LIABILITIES			<u>(324,078)</u>		<u>(317,242)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(324,078)</u>		<u>(306,020)</u>
CAPITAL AND RESERVES					
Called up share capital	15		12,770		12,770
Retained earnings	16		<u>(336,848)</u>		<u>(318,790)</u>
SHAREHOLDERS' FUNDS			<u>(324,078)</u>		<u>(306,020)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2023 and were signed on its behalf by:



Mr I Cummins - Director

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	12,770	(313,090)	(300,320)
Changes in equity			
Total comprehensive income	-	(5,700)	(5,700)
Balance at 31 December 2021	<u>12,770</u>	<u>(318,790)</u>	<u>(306,020)</u>
Changes in equity			
Total comprehensive income	-	(18,058)	(18,058)
Balance at 31 December 2022	<u>12,770</u>	<u>(336,848)</u>	<u>(324,078)</u>

The notes form part of these financial statements

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

1. STATEMENT OF COMPLIANCE

The financial statements of Aqualis Offshore UK Limited are prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and in accordance with applicable accounting standards.

2. STATUTORY INFORMATION

Aqualis Offshore UK Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

3. ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the financial instruments, as described in the accounting policies set out below. These accounting policies are consistent with those in the previous year.

The ultimate parent company which produces true and fair consolidated accounts that include the results of this company is ABL Group ASA. More information is provided in Note 17.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

GOING CONCERN

The entity transferred a significant portion of its trade to a fellow subsidiary on 31 March 2021, and held significant net liabilities as at the year-end. As required by IAS 1 Presentation of Financial Statements, management has prepared the financial statements on the basis that the entity is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

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

3. ACCOUNTING POLICIES - continued

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The assets' residual values, useful lives and depreciation methods are reviewed and if appropriate are adjusted if there is an indication of a significant change after the last reporting date.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Right-of-Use asset - Over the length of the lease
Computer Equipment - 100% straight line basis

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Administrative expenses' in the Statement Of Comprehensive Income.

The company carries out a review at each reporting date on the carrying value of its fixed assets (plant and machinery & fixtures and fittings) to ensure that any indication of impairment is correctly recognised within the financial statements if necessary. The recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is recognised as an expense within the Statement of Comprehensive Income immediately.

FINANCIAL INSTRUMENTS

Financial assets such as cash and debtors are measured at the present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors, loans and finance leases are measured at the present value of the obligation. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

TAXATION

The taxation expense represents the sum of the tax currently payable and deferred tax movement.

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from profit before taxation as reported in the Statement Of Comprehensive Income, because it excludes items of income and 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 rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are recognised separately on the balance sheet. Deferred tax assets are recognised only to the extent that they are expected to be recoverable. Deferred taxation is recognised in the Statement Of Comprehensive Income unless it relates to taxable transactions taken directly to equity, in which case the deferred tax is also recognised in equity. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

FOREIGN CURRENCIES

The company's financial statements are presented in sterling, which is also the company's functional currency.

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

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 are taken into account in arriving at the Operating Profit.

CASH AND CASH EQUIVALENTS

Cash and short-term deposits included in the statement of financial position comprise cash in hand and short-term deposits with an original maturity of three months or less.

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

3. ACCOUNTING POLICIES - continued

LEASES

Leases are recognised as a Right-of-Use asset, with a corresponding liability at the date at which the leased asset is available for use by the company. The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method.

Right-of-Use assets are generally depreciated over the shorter of the assets useful life and the lease term on a straight line basis.

EMPLOYEE BENEFITS

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave which are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period, and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are classified as current employee benefit obligations in the statement of financial position. Liabilities for defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions. The assets of the scheme are held separately from those of the company in an independently administered fund.

CASH FLOW STATEMENT

The group accounts of the ultimate parent undertaking contain a consolidated cash flow statement. The company has taken advantage of the exemption granted by the IAS 7, whereby it is not required to publish its own cash flow statement.

TRADE AND OTHER RECEIVABLES

Trade and other debtors are recognised and carried at the lower of their original value and recoverable amount. Provision is made where there is evidence that the balances will not be recovered in full but always when the age of the debt reaches twenty four months.

The adoption of IFRS 9 'Financial Instruments' results in an additional provision for expected credit losses. When measuring expected credit losses, the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

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

3. ACCOUNTING POLICIES - continued

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for directors to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual outcomes could differ from those estimates and assumptions used. The accounting judgements and estimates that could have significant impact on the results of the company are set out below and should be read in conjunction with the information provided in the Notes to the financial statements:

ESTIMATES

Provision for impairment of trade receivables and accrued income:

Trade receivables and accrued income are amounts due from customers in the ordinary course of business. Trade receivables and accrued income are classified as current assets if collection is due within one year or less (or in the normal operating cycle of the business if longer).

At the Statement of Financial Position date, calculations are performed to determine any provision for impairment of trade receivables and accrued income using management's best estimate. A number of judgements are made in the calculation of any such provision, primarily the age of the invoice, the existence of any disputes, recent historical payment patterns and the debtors' financial position.

The adoption of IFRS 9 'Financial Instruments' requires provision to be made for any measurable expected credit losses - paragraph 5 permits a simplified approach to be adopted where there is no significant financing component (such as customer receivables where the customer is expected to repay the balance in full prior to interest accruing). When measuring expected credit losses, the company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

JUDGEMENTS

Revenue recognition:

The adoption of IFRS 15 "Revenue from Contracts with Customers" require the Company to perform an impact assessment on each of its revenue streams in order to identify the performance obligation in its customer contracts and estimate an appropriate method for recognising revenue on satisfaction of those performance obligations. A judgement is required to determine whether revenue is recognised at a 'point in time' or 'over time' as well as determine the transfer of control for when performance obligations are satisfied.

The Company has defined the performance obligation to be the point in time when the work is done and therefore revenue is recognised at this point in time. This is a critical judgement since revenue recognition would differ if the performance obligations were deemed to be satisfied at a different point in time.

Revenue represents amounts receivable for the rendering of consultancy services provided in the offshore drilling industry, net of value added tax and trade discounts. It is based on the value of work done in the year and is recognised on a time incurred basis net of provisions.

Judgements are made in the recognition of revenue, and areas subject to judgement include: -

- > Accrued income, which is based on including the value of time incurred but not invoiced. Judgement is required to form an opinion if there is any time charged that may ultimately not be recoverable.
- > Recoverability of fees charged but not received.

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

4. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2022 £	2021 £
United Kingdom	426,604	1,048,031
Europe	157,785	387,628
	<u>584,389</u>	<u>1,435,659</u>

5. EMPLOYEES AND DIRECTORS

	2022 £	2021 £
Wages and salaries	-	185,634
Social security costs	-	21,947
Other pension costs	-	4,797
	<u>-</u>	<u>212,378</u>

The average number of employees during the year was as follows:

	2022	2021
Technical	<u>-</u>	<u>2</u>

	2022 £	2021 £
Directors' remuneration	<u>-</u>	<u>-</u>

No directors are accruing benefits in defined contribution company pension schemes.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £	2021 £
Interest on loans	77,353	71,025
Leasing	308	858
	<u>77,661</u>	<u>71,883</u>

7. LOSS BEFORE TAXATION

The loss before taxation is stated after charging:

	2022 £	2021 £
Depreciation - owned assets	-	791
Depreciation - assets on finance leases	11,222	11,756
Foreign exchange differences	67,336	14,514
Auditor's remuneration	3,693	1,821
Accountancy	1,583	1,583
	<u>83,834</u>	<u>29,465</u>

8. TAXATION**Analysis of tax expense**

No liability to UK corporation tax arose for the year ended 31 December 2022 nor for the year ended 31 December 2021.

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

8. TAXATION - continued**FACTORS AFFECTING THE TAX EXPENSE**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Loss before income tax	<u>(18,058)</u>	<u>(5,700)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(3,431)	(1,083)
Effects of:		
Expenses not deductible in determining taxable profit	-	(3,263)
Tax losses not recognised	3,431	4,346
deferred tax assets	<u> </u>	<u> </u>
Tax expense	<u> </u>	<u> </u>

The company has not recognised deferred tax assets that relate to unused tax losses, as it is not probable that future taxable profit will be available against which the company can utilise the benefits.

9. TANGIBLE FIXED ASSETS

	Right of use asset £
COST	
At 1 January 2022	33,667
Disposals	<u>(33,667)</u>
At 31 December 2022	<u> </u>
DEPRECIATION	
At 1 January 2022	22,445
Charge for year	11,222
Eliminated on disposal	<u>(33,667)</u>
At 31 December 2022	<u> </u>
NET BOOK VALUE	
At 31 December 2022	<u> </u>
At 31 December 2021	<u>11,222</u>

At 31 December 2022 the company had no contractual commitments for the acquisition of tangible fixed assets (31 December 2021: £nil).

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	47,827	86,134
Amounts owed by group undertakings	620,674	298,137
VAT	250	3,186
Accrued income	13,592	201,467
	<u>682,343</u>	<u>588,924</u>

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

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

The directors consider that the carrying amounts of trade receivables approximate to their fair value. Trade receivables are non-interest bearing and are generally on terms payable within 30-90 days. Specific debts are provided for where recovery is deemed uncertain in line with the policy adopted by the Company. As at 31 December 2022, trade receivables of £6,376 which were over 24 months old were treated as credit impaired and have been provided for. As at 31 December 2021, trade receivables of £6,336 which were over 24 months old were treated as credit impaired and have been provided for.

Amounts owed from Group undertakings are interest free, unsecured and repayable on demand.

The ageing profile of trade receivables as at 31 December is as follows:

	31 December 2022 £000	31 December 20201 £ 000
Up to 3 months	49	88
3 to 6 months	-	-
6 to 12 months	-	-
12 to 24 months	(1)	-
Over 24 months	6	6
	<u>54</u>	<u>94</u>

Movements on the Company provision for impairment of trade receivables were as follows:

	31 December 2022 £000	31 December 2021 £000
As at 1 January 2022	8	25
Movement on provision of trade receivables impairment	(1)	(17)
	<u>7</u>	<u>8</u>

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Company's historical credit loss experience over the five year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. As at 31 December 2022 the lifetime expected loss provision for trade receivables is as follows:

		2022 £000	2022 £000	2022 £000
	Expected loss rate	Company provision	ECL provision	Total provision
Up to 3 months	2.3%	-	1	1
3 to 6 months	3.0%	-	-	-
6 to 12 months	4.0%	-	-	-
Over 12 months	5.0%	-	-	-
Over 24 months	100%	6	-	6
Trade receivables		<u>6</u>	<u>1</u>	<u>7</u>
Accrued income	2.3%	-	1	1
Total		<u>6</u>	<u>2</u>	<u>8</u>

11. CASH AT BANK

Cash and cash equivalents comprise of £138,630 held by the company (31 December 2021: £68,508).

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

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Leases (see note 13)	-	11,764
Trade creditors	-	33,398
Amounts owed to group undertakings	1,108,250	876,911
Other creditors	19,924	29,817
Accrued expenses	16,876	22,784
	<u>1,145,050</u>	<u>974,674</u>

Included in 'Amounts owed to group undertakings' is a loan due to the ultimate parent company. The loan carries interest at the rate of 10% per annum. The loan is unsecured and is repayable on demand. As there is no unconditional right to defer settlement, the loans are included within 'Creditors: Amounts falling due within one year'.

13. FINANCIAL LIABILITIES

	2022 £	2021 £
Current:		
Leases (see note 14)	<u>-</u>	<u>11,764</u>

14. LEASING**RIGHT-OF-USE ASSETS****Tangible fixed assets**

	2022 £	2021 £
COST		
At 1 January 2022	33,667	33,667
Disposals	<u>(33,667)</u>	<u>-</u>
	<u>-</u>	<u>33,667</u>
 DEPRECIATION		
At 1 January 2022	22,445	10,689
Charge for year	11,222	11,756
Eliminated on disposal	<u>(33,667)</u>	<u>-</u>
	<u>-</u>	<u>22,445</u>
 NET BOOK VALUE	<u>-</u>	<u>11,222</u>

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

14. LEASING - continued**LEASE LIABILITIES**

Minimum lease payments fall due as follows:

	2022 £	2021 £
Gross obligations repayable:		
Within one year	-	12,072
	<u>-</u>	<u>12,072</u>
Finance charges repayable:		
Within one year	-	308
	<u>-</u>	<u>308</u>
Net obligations repayable:		
Within one year	<u>-</u>	<u>11,764</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2022	2021
Number:	Class:	Nominal value:	£	£
20,000	Ordinary	\$1 USD	<u>12,770</u>	<u>12,770</u>

The ordinary shares have attached to them full voting, dividend and capital distribution rights (including on winding up); they do not confer any rights of redemption.

16. RESERVES

Retained earnings show the net value of accumulated gains and losses.

17. IMMEDIATE AND ULTIMATE PARENT COMPANY

The immediate parent entity is ABL Group Holding Ltd, a limited company incorporated in England and Wales whose registered office is 1st Floor, The Northern & Shell Building, 10 Lower Thames Street, London, England, EC3R 6EN.

The ultimate parent company is ABL Group ASA, a public limited company incorporated in Norway whose registered office is Haakon Viis Gate 6 Oslo, 0161 Norway. As ABL Group ASA is a public limited company there is no ultimate controlling party of the group.

ABL Group ASA is the parent undertaking of the largest and smallest group of undertakings of which Aqualis Offshore UK Limited is a member and for which group financial statements are drawn up. A copy of the consolidated accounts can be obtained from the company's website at the following address:
<https://abl-group.com/investor-relations/reports-and-presentations/>

18. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 101 'Reduced Disclosure Framework', not to disclose related party transactions with its parent company and any wholly owned subsidiaries within the group.