

Company Registered No: SC106026

Seatec UK Limited
Annual Report and Financial Statements
For the year ended 31 December 2024



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Seatec UK Limited
Registered No. SC106026

Annual Report and Financial Statements
Year ended 31 December 2024

Officers and Advisors

Directors

The following Directors held office during the year and up to the date of this report:

J P H Engels
P S Magnin
A F Christensen
B T Hall
S D MacFarlane

Registered Office

5th Floor
Skypark
8 Elliot Place
Glasgow
G3 8EP

Independent Auditor

Deloitte LLP
Statutory Auditor
9 Haymarket Square
Edinburgh
United Kingdom
EH3 8RY

Strategic Report for the year ended 31 December 2024

Background

SeaTec UK Limited is a private limited Company incorporated in the United Kingdom and registered in Scotland with a registered number of SC106026.

The immediate parent of the Company is Vouvray Acquisition Limited, incorporated in the United Kingdom and registered in England and Wales. On 18 September 2024 the Group was acquired by STAR Capital Partnership LLP, therefore Vouvray Acquisition Limited is ultimately owned by a consortium led by STAR Capital Partnership LLP ("Star Capital"), an English limited liability partnership with registration number OC402487, that includes Ackermans & van Haaren (incorporated in Belgium) and others.

The principal activities of Seatec UK Limited are the provision of Marine Services covering projects and new builds, inspections, repairs and maintenance and subsea services to the shipping, offshore and defence industries.

Business review for the period

Financial results for the period

2024 has been a more challenging year compared to the prior year, with some large one off projects and consultancy works that have not continued into 2024. The Company continues to benefit from its diverse portfolio of services. The Company generated a profit for the year of £6.2m (2023: £7.7m). Revenue decreased to £44.1m (2023: £58.4m), with gross profit margin remaining stable at 32% (2023: 31%). Administrative expenses decreased by 11% to £8.8m (2023: £9.9m).

Inspection, Repairs and Maintenance (IRM) revenue decreased by (23)% to £24.5m in 2024 (2023: £32.0m) due to some large navigation and communication contracts for cruise vessels not being repeated along with a downturn in works for our Repairs business unit.

Projects and New Builds revenue decreased by (62)% to £2.2m in 2024 (2023: £5.8m) mainly being driven by large projects in 2023 not continuing into 2024 along with no large new build projects.

Underwater revenue has decreased slightly to £14.4m in 2024 (2023: £15.2m) due to a decrease in works from our Global business units and no large one off projects.

Training revenue from operations decreased by (100)% to £0.0m in 2024 (2023: £3.1m) as this division is no longer trading within SeaTec UK Ltd therefore this is impacting our reported revenue.

Travel revenue grew by 35% to £3.1m in 2024 (2023: £2.3m) due to an increase of new clients along with strengthening the relationships with our existing clients.

Gross profit margin has remained consistent at 32% (2023: 31%) despite the reduction in revenue. This is primarily being driven by the project based entities having more complex projects needing more specialised works and subsequently attracting higher margins as well as our travel based entity seeing an increase in margins with the costs remaining consistent with prior year.

Administrative expenses decreased by 11% to £8.8m (2023: £9.9m) due to a decrease in equipment expenses £398k in 2024 (2023 : £594k) along with a decrease of the bad debt provision £(228)k (2023 : £52k). There was also a decrease in the fair value consideration £(412)k in 2024 (2023 : £221k) relating to the earn out settlement for Argo, which was partially settled during the current financial period, with the final payment completed in January 2025.

The Company's operating profit in the year was £5.1m (2023: £8.1m) for the reasons indicated above. Profit after taxation for the year was £6.2m (2023: £7.7m) which has been impacted by a reduction in the foreign exchange finance costs £0.4m ((2023: £(1.0)m).

Equity has increased from £20.4m to £26.7m driven by the profit for the year.

The Company considers revenue, gross profit margins and EBITDA as analysed above, to be key performance indicators which are reported on monthly to the Board with outliers explained.

Strategic Report for the year ended 31 December 2024 (continued)

Business review for the period (continued)

Statement of financial position

As at 31 December 2024 the Company reported total assets of £42.0m (2023: £31.3m) and total liabilities of £15.4m (2023: £11.0m) resulting in net assets of £26.7m (2023: £20.4m). Total assets are primarily comprised of trade and other receivables £37.4m (2023: £26.3m) and other intangible assets £2.3m (2023: £2.5m). Total liabilities consists primarily of trade and other payables £14.0m (2023: £9.6m).

Current and future developments

The Company will continue providing products and services to the Shipping, Offshore and Defence markets in 2025 and beyond. Business performance will be focusing on recovering from a difficult year alongside further growth in the business areas through expansion of the customer base and increased penetration of the Company's portfolio of services.

Streamlined Energy and Carbon Reporting

The Company is exempt from the requirements of Streamlined Energy and Carbon Reporting ("SECR") due to its inclusion in the SECR reporting in the Star Sirocco Topco Limited accounts. Please refer to the SECR statement that has been made in the annual report of Star Sirocco Topco Limited, where the 2024 full year figures have been pro-rated for the period from the Group's acquisition date of 18 September 2024 (see note 26) to 31 December 2024.

Key events in the period

Acquisition and re-financing

A decision by the Group in the period was to approve the acquisition of AI Mistral (Luxembourg) BottomCo S.a.r.l and its subsidiaries by Star Sirocco Bidco Limited, a subsidiary of Star Sirocco Topco Limited. The transaction was approved on the basis that it would provide a strong financial foundation through re-financing for both longer term and day-to-day operations along with further growth and acceleration of the continuing strategic development of the Company.

Ukraine conflict and sanctions

The conflict in the Ukraine has resulted in an increase in US, UK and EU sanctions.

To mitigate the risk, the Company has increased communications and provided additional guidance through a dedicated sanctions intranet page which is periodically updated for changes in sanction regimes. The Group has also provided training to employees and amended operating procedures and due diligence procedures over payments to Russian banks.

Going Concern

At 31 December 2024, the Company held cash balances of £0.4k and had net assets of £26.7m. The Company is a restricted subsidiary and a guarantor under the Group's external borrowing facilities (see note 25).

These financial statements have been prepared on the going concern basis which the Directors believe to be appropriate.

The Company's ultimate parent undertaking, Star Sirocco Topco Limited, will provide financial support to the Company, such that the Company is able to operate as a going concern and to settle its liabilities as they fall due for a period of not less than 12 months from the date of signing the financial statements.

In forming the assessment, the Directors have considered the financial position and liquidity of Star Sirocco Topco Limited and its subsidiaries (the "Group"). As disclosed in the consolidated financial statements, the Group held unrestricted cash balances of \$21.3 million, undrawn revolving credit facilities of \$25.0 million, and an undrawn delayed draw facility of \$74.0 million as at 31 December 2024. The Group also recorded a net cash inflow of \$82.2 million during the year and remained in compliance with its financial covenants, with a year-end leverage ratio of 2.64x LTM EBITDA.

Taking into account the Company's own financial position, the recent capital restructure, and the financial strength and financial support of its ultimate parent company, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future being at least 12 months from the date of approval of these financial statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

Section 172 of the Companies Act 2006**Directors' Duties and Stakeholder Engagement**

The Directors' duties below are detailed in section 172 of the UK Companies Act 2006:

A Director of a Company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of the shareholders as a whole and, in doing so have regard (amongst other matters) to:

- The likely long-term consequences of any decisions, despite none being made in the current period;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the Company.

The following paragraphs summarise how the Directors fulfil their duties:

Risk Management

We provide business critical services to our clients across the globe in an industry that is becoming increasingly more regulated. As we grow, our risk environment becomes more complex. It is therefore essential that we effectively identify, evaluate, manage, and mitigate the risks we face, and that we continue to evolve our approach to risk management.

The details of the Company's principal risks and uncertainties and how we manage our risk environment through our risk framework are included in pages 6-7 in this Strategic Report.

Our People

The Company is committed to being a responsible business and employer. The Company aims to recruit, develop, motivate and retain the best talent in the industry and our people are at the very core of the excellent customer service we provide. For our business to succeed we need to engage and enable our people to perform at their best, develop their skills and capabilities, ensure we are aligned and focused on meeting customer expectations while ensuring we operate as efficiently and productively as possible. Our behaviour is aligned with the expectations of our people, clients, investors, communities and society as a whole. This is embodied through our core values – the 5 C's - of We Care, We Collaborate, We Challenge, We are Consistent and We Commit & Deliver that continue to guide our behaviour and the decisions we make as a Board and across the Company more broadly.

Principal decisions made by the Board during the period in relation to our people include:

- Implementation of several service delivery initiatives designed to accelerate performance in relation to safety and operations. This was led by a task force that looked at people, process and structural improvements across the Group.
- Improvement to our performance management processes, onshore leadership development programs, and ensuring competitive market based rewards and recognition plans.

Business Relationships

Our strategy is a blend of organic growth of the Seatec offering and inorganic growth through acquisitions. We implemented a new operating model to revitalise our core offering and organic growth trajectory. The previous vertical structure was replaced by a matrix structure to increase collaboration and knowledge transfer through new leadership roles, a new marketing role and shared operations, sales and administration functions. At the heart of this new model is to create 'One Seatec' offering a range of services globally and independently under a single brand with a focus on providing a consistent quality of service for our customers. Standardisation and consistency in our operations and administrative functions has also been beneficial to building stronger relationships with our valued suppliers.

Strategic Report for the year ended 31 December 2024 (continued)

Community and Environment

Climate change is a serious social and economic challenge that requires urgent action involving all sectors of the economy including our sector, international shipping.

The Company is aware of its environmental responsibility and especially the conservation of our oceans. With environmental practice increasingly in the spotlight throughout the maritime industry, the Company is committed to leading the adoption and promotion of industry standards and best practices both at sea and ashore. We have long been champions of environmental stewardship and minimising our environmental impact. Being conscious of this impact is the only way to be a sustainable organisation.

As we look ahead, the Group's ambition is clear: to continue leading the industry's efforts to safeguard our environment, support our people and communities, and ensure fair and transparent governance as we continue to set new standards of excellence and lead the way towards a sustainable and prosperous future for the shipping industry.

Human Rights

The Company is committed to ensuring the human rights of all people in line with the Universal Declaration of Human Rights. The risk relating to human rights forms part of the principal risk of breaches of laws or regulations.

Our Respect and Dignity, Code of Conduct and Social Responsibility Policies outline the behaviours required of all onshore and offshore colleagues to ensure human rights.

The Company does not tolerate any modern slavery in its own business or supply chains. Modern slavery is anything that amounts to slavery, human trafficking, forced labour, and child labour.

When onboarding new suppliers and customers the Company undertakes due diligence procedures through the 'Know Your Client' process, and also regularly reviews its agreements with them. The Company contracts on standard terms and conditions which requires that clients and suppliers comply with modern slavery provisions. To ensure compliance in our supply chain, the Company has in place a Supplier Code of Conduct and a Procurement Policy.

There is also a 'Speak Up' hotline for all onshore colleagues and seafarers to raise concerns. These are investigated whilst keeping the identity of the whistleblower anonymous.

The Company publishes a Modern Slavery Statement annually which is available on the website. There were no human-rights violations reported in the period.

Business Conduct

Our reputation is built on a strong foundation of honesty and transparency, both in day-to-day business, and when handling issues involving people, property and the environment. Moving forward, we are committed to protecting this reputation. With customers operating across the globe, it is essential that we operate our business to the highest standards of integrity and ethical conduct. In 2024, all of our people undertook a number of e-learning based training programs related to compliance and ethics covering data security, social media and social responsibility and the program has continued to be enhanced and developed in 2024.

Shareholders/Investors

The Board of the ultimate parent Company, Star Sirocco Topco Limited ('The Board') is committed to openly engaging with our shareholders and investors, as we recognise the importance of a continuing effective dialogue. It is of vital importance that the Company's investors understand the Company's strategy and objectives, so these must be explained clearly, feedback heard, any any issues or questions raised are properly considered and addressed.

The Company maintains a close working relationship with our majority shareholders, which are well represented by non-executive Directors on our Board, and who are fully engaged with the Company's strategy, risk management, and operating performance of the Company.

Safety and Customers first

After safety, the customer is at the centre of our business. We are committed to listening closely to our customers, responding more quickly to their needs and building stronger relationships. Positive customer advocacy is key to our success; which means putting the customer at the centre of everything that we do and building our services accordingly, emphasizing transparency, pro-activeness and partnership in our relationships.

Strategic Report for the year ended 31 December 2024 (continued)

Risk Management

The Board of the ultimate parent Company, Star Sirocco Topco Limited ('The Board') has overall responsibility for establishing procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.

In assessing risk, Management and the Board considered operational, strategic and financial risks with input from the principal risk owners within the Company. The risk assessment considered the Company's tolerance to risk and the key controls that Management has implemented to mitigate these risks.

The Board believes it has taken reasonable steps to satisfy itself that the Group's risk management processes are effective and fit for purpose. Nevertheless, as with all risk management processes, there remains a degree of uncertainty, and unforeseen risks may arise.

The Board sets strategic objectives and appetite for risk, sets the delegation of authority, and receives and reviews Audit Committee reports on risk governance and internal control.

The Audit and Risk Committee is responsible for the assessment of risk across the Company including consideration of the adequacy of the risk management and internal controls framework, co-ordination of risk management strategies and initiatives, and defining and implementing safe practises.

HSSEQ are responsible for the safe practice of all vessel related operations, both on shore and at sea, around the world.

Business units and corporate functions are responsible for the identification, management and reporting of local risks and assessing the effectiveness of controls. The key risks identified by management are:

Credit risk

Credit risk to the Company is the risk that a trading counterparty will fail to pay amounts due and therefore expose the Company to loss. The Company has specified terms of business which vary across different operating divisions and are defined contractually with customers.

As part of the formal risk assessment process the credit risk of new customers is formally assessed. The counterparty's business activities, financial resources, trading and operational history are all taken into account in the assessment, to the extent this information is publicly available, together with reports from external credit agencies, stock market filings, and supplier reports on payment performance.

Customers which have the highest amounts of overdue debt are highlighted to the Board. The report includes corresponding commentary on expectations on recovery and changes in the amount of aged debt from the prior month.

The Company does not aim to remove credit altogether and, notwithstanding the above, from time to time, has experienced economic loss because of customer default (where there is no realistic prospect of recovery). The Company has a broad customer base and does not consider the credit risk of one specific customer would have a significant impact on results.

The Company is cognisant of the increased credit risk posed by customers experiencing liquidity issues and is closely monitoring aged debt on all customers on a weekly basis and placing customers 'on hold' where considered appropriate to reduce credit risk.

Liquidity risk

Liquidity risk is the risk that suitable sources of funding may not be available for the Company's business activities. The Company's liquidity is managed by the central treasury function. On at least a monthly basis, the majority of surplus cash is repatriated to central treasury unless restricted by local regulation. The Company's treasury function centrally coordinates relationships with lead banks, borrowing requirements, cash management, and foreign exchange hedging.

The Company central treasury function monitors cash balances on a daily basis and receives weekly cash forecasts from all business units built from individual company submissions looking out three months. These weekly cash forecasts are reviewed along with longer term projections reported in the monthly management accounts, monthly divisional financial forecasts and annual budgets, to ensure the Company has sufficient cash to meet its liabilities as they fall due. Business unit cash requirements are assessed through this process, with surplus cash allocated by the central treasury function to meet any individual liquidity needs.

Strategic Report for the year ended 31 December 2024 (continued)

Risk Management (continued)

Health, safety, environmental and quality risk ('HSEQ')

The Company is exposed to HSEQ risk principally through its operations in the ship management and offshore sectors. Through its formal risk assessment process the Company has systems in place to assess risks prior to planned changes or when unplanned changes occur, whether permanent or temporary, during operations or when changes are required to facilities, equipment, procedures, laws, regulations, standards or systems. The risk assessment process involves staff with relevant knowledge and experience, with findings and changes communicated to all those who may be affected, and training provided as required.

The HSEQ risk management processes are applied to all new projects and existing operations, with risks prioritised and managed to ensure they are reduced to a level that is as low as reasonably practical. All identified risks are recorded and maintained at business unit level and are escalated to the Board as appropriate.

Principal risks

The Company has identified in the table below what we believe to be the most significant risks that could materially affect the Company's ability to achieve its strategic, operating and financial goals.

Operational risk	
1 <i>Loss of life and serious incident</i>	<p>The Company operates in a challenging environment, therefore improper understanding of tasks required to a vessel and parameters we can work within could result in loss of life, and/or operational incidents that could cause environmental damage.</p> <p>Potential Impact</p> <p>Risk of incident resulting in loss of life and/or environmental damage due to the above, which could result in reputational damage and loss of future revenue.</p> <p>Mitigation</p> <p>Safety "first" is a priority of the Company so the Company has implemented policies, processes, and procedures to be followed on all vessels and onshore.</p> <p>Company Safety Culture initiatives, and continual improvement processes, continue to drive safe behaviours and performance with leadership behaviours setting the standard for others to follow</p>
2 <i>Key staff turnover</i>	<p>Failure to achieve strategic objectives as a result of significant management churn, loss of business critical staff and inability to attract and retain top talent.</p> <p>Potential Impact</p> <p>Loss of key customer specific knowledge and relationships, leading to a failure to deliver on customer expectations.</p> <p>Loss of productivity due to recruiting, integrating and training new employees, as well as, damage to market reputation.</p> <p>Mitigation</p> <p>Significant focus on the identification, engagement and retention of critical talent through the top talent review process.</p> <p>Monthly voluntary turnover data produced and reviewed at Business and Board level.</p>

Strategic Report for the year ended 31 December 2024 (continued)

Section 172 of the Companies Act 2006 (continued)

Directors' Duties and Stakeholder Engagement (continued)

Risk Management (continued)

Principal risks (continued)

3	Cyber attacks	<p>As a global complex organisation, there is a risk that the Company falls victim to increasingly sophisticated cyber-attacks aimed at causing disruption to our information assets by circumventing confidentiality, integrity or availability controls.</p> <p>Potential Impact</p> <p>Significant business disruption, data theft, regulatory non-compliance, reputational damage and financial loss through theft, regulatory/legislative fines or inability to operate the business normally.</p> <p>Mitigation</p> <p>The Company operates a number of perimeter defence technologies to enhance the Company's security and defence.</p> <p>A 24/7/365 third party managed cyber threat, detect and response service is in place, in addition to a third party 24/7/365 Security Operations Centre (SOC). These are integrated with the Company's Information Security Incident Management Processes. This covers response, identification, containment and recovery.</p> <p>Cyber incident drills are regularly conducted and the Company's systems are externally tested.</p> <p>Regular training of cyber and technology threats for staff and vessels is conducted to ensure a high level of employee awareness is maintained.</p>
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Strategic Risk

4	Commercial (Lack of organic growth)	<p>Lack of organic growth could arise from a variety of areas including but not limited to low quality service offering, pricing out of market, lack of qualified specialists, and ineffective customer engagement.</p> <p>Potential Impact</p> <p>Loss of existing customers, not attracting new customers and loss of business leading to loss of revenue and profitability across the Company.</p> <p>Mitigation</p> <p>The Company (i) continually engages with current and prospective customers, (ii) has implemented a key management program whereby customer satisfaction surveys are performed and results monitored, and (iii) continually develops new and enhanced service offerings to customers including through strategic partnerships.</p>
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Compliance and legal risk

5	General Compliance & legal	<p>Risk that the Company are not compliant with relevant obligations, laws and regulations which apply to the area in which the Company operates in. These include:</p> <ul style="list-style-type: none"> - Environmental - Corporate laws and regulations <p>Potential Impact</p> <p>Damage to the Company's reputation leading to loss of customers, significant potential fines and possible civil or criminal liability for the Company and its management.</p>
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Strategic Report for the year ended 31 December 2024 (continued)

Section 172 of the Companies Act 2006 (continued)

Directors' Duties and Stakeholder Engagement (continued)

Risk Management (continued)

Principal risks (continued)

Compliance and legal risk (continued)

6	<i>Non-compliance with environmental laws & regulations</i>	<i>Mitigation</i>
		<p>The Company is proactive in monitoring all changes in the industry and has an established programme for developing appropriate training of staff.</p> <p>Environmental inspections are conducted internally at least twice per year per vessel to ensure compliance with Company policies, processes, guidelines and procedures, regulatory requirements and industry standards</p> <p>External audits carried out by regulatory bodies and key tanker customers.</p>
7	<i>Non-compliance with corporate laws & regulations</i>	<i>Mitigation</i>
		<p>The Company monitors changes in relevant laws and regulations (such as sanctions) and has a comprehensive framework of policies and training in place that set out the ways colleagues and suppliers are expected to conduct themselves.</p> <p>The Group operates a speak-up process that allows anonymous reporting, through an independent hotline, of any suspected wrongdoing or unethical behaviour, including reporting instances of non-compliance laws and regulations. All reported cases are investigated.</p>

Approved by the Board of Directors and signed on behalf of the Board on 26 June 2025.



B T Hall
Director

Directors' report for the year ended 31 December 2024

The Directors present their annual report and the audited financial statements for the year ended 31 December 2024 for Seatec UK Limited ("the Company").

Directors

The Directors who held office throughout the period and until the date of this report are given on page 1.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors (which extend to the performance of any duties as a Director of any associated company) and these remain in force at the date of this report.

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Employment Engagement

The Company is committed to being a responsible business and employer. Our people are at the very core of the value we create for our customers. For our business to succeed our leadership teams are expected to engage colleagues, manage our people's performance and develop and nurture talent while ensuring we operate as safely and efficiently as possible.

We also must ensure that the five values of 'We Care', 'We Collaborate', 'We Challenge', 'We are Consistent', and 'We Commit & Deliver' are adhered to and continue to guide our behaviour and the decisions we make as a Company.

Regular all employee communication sessions are held and led by senior management where key Group information such as the financial and economic factors affecting the performance of the company is shared and employees are encouraged to ask questions and submit suggestions.

In the course of the year, the Company has undertaken a number of employee culture and safety surveys, with established committees being provided with relevant feedback on the Company's progress. A Group intranet channel is also in place and is regularly updated with relevant information and engagement activities.

Directors' report for the year ended 31 December 2024(continued)

Engagement with Suppliers, and Customers

The Company recognises the importance of fostering positive and collaborative relationships with both suppliers and customers. Regular engagement is maintained through various channels, including meetings, performance reviews, and feedback mechanisms, to ensure that their views are considered in decision-making processes. The Company seeks to build long-term partnerships based on mutual trust, transparency, and shared objectives. Key considerations such as quality, ethical standards, and sustainability are embedded in supplier selection and management processes. By understanding and responding to customer needs, the Company aims to deliver high-quality products/services while maintaining high levels of customer satisfaction.

Community and the Environment

We acknowledge the importance of maintaining a long-term perspective and maintaining resilience in the face of challenges. Climate change presents a complex and ever-evolving risk, however, societal changes, developing market dynamics, and regulatory expectations also demand our attention. To address these challenges, we have established robust risk management practices that embed these considerations into our ethical business practices. This ensures that we not only act responsibly but also remain financially resilient.

We firmly believe that achieving a net-zero future is not only an environmental imperative but also a business imperative. It positions us ahead in a rapidly evolving market, strengthens our industry standing, attracts and retains top talent, and ensures long-term sustainable growth. Net-zero is at the core of our ethos, and we are fully committed to this ambitious goal.

With an unwavering commitment, we will continue to develop and implement our holistic ESG strategy, recognising that these efforts are key to unlocking tangible gains for the Group while improving the world and communities around us. During 2024, we strengthened our decarbonisation proposition by launching our V.ERDE product, providing shipowners with a comprehensive offering to assist their decarbonisation efforts.

Auditor

In accordance with Section 386 of the Companies Act 2006 a resolution to dispense with the obligation to appoint an auditor annually has been passed. Accordingly, Deloitte LLP will continue in office as auditor, having expressed their willingness to do so.

Each of the persons who is a Director at the date of the approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Directors have taken steps as Directors to make themselves aware of any relevant audit information and establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Dividends

The Directors do not recommend the payment of a dividend in the current year (2023 : £0.0m).

This report was approved by the board on 26 June 2025 and signed on its behalf by:



B T Hall

Director

Auditor's Report for the year ended 31 December 2024

Independent auditor's report to the members of Seatec UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Seatec UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 26.

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).

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 Financial Reporting Council's (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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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.

Auditor's Report for the year ended 31 December 2024 (continued)

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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 considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation, relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the completeness and valuation of accrued income, and our procedures performed to address it are described below:

- agreeing revenue from the bank statements to sales invoices and ultimately to amounts recorded in the ledger;
- testing a sample of sales invoices from during the year and post year end to ensure they are correctly recorded in the ledger; and
- testing a sample of year-end accrued project income balances by tracing them back to supporting documentation including invoices to evidence that they were valid accrued income balances at year-end, proof of service provided pre year-end and where relevant, agreement of rates / contract agreement.

Auditor's Report for the year ended 31 December 2024 (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 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.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

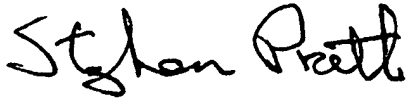
Use of our report

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.

Seatec UK Limited
Registered No. SC106026

Annual Report and Financial Statements
Year ended 31 December 2024

Auditor's Report for the year ended 31 December 2024 (continued)



Stephen Pratt CA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Edinburgh, United Kingdom

26 June 2025

Seatec UK Limited
Registered No. SC106026

Annual Report and Financial Statements
Year ended 31 December 2024

Statement of Comprehensive Income

For the year ended 31 December 2024

		Year Ended 31 December 2024	Year Ended 31 December 2023
	<i>Note</i>	GBP 000	GBP 000
Revenue	4	44,143	58,360
Cost of sales		(30,269)	(40,348)
Gross Profit		13,874	18,012
Administrative expenses	6	(8,776)	(9,882)
Operating profit		5,098	8,130
Net Finance income	9	1,408	1,320
Net Finance expenses	10	(23)	(1,457)
Profit before tax		6,483	7,993
Tax	11	(322)	(268)
Profit for the year		6,161	7,725
Other comprehensive income/(expense) items that will not be classified subsequently to profit or loss			
FX expenses relating to items that will not be reclassified subsequently to profit or loss		144	(69)
Other comprehensive income/(expense)		144	(69)
Total comprehensive income		6,305	7,656

All results in the year ended 31 December 2024 are from continuing operations.

The accompanying notes form an integral part of these financial statements.

Seatec UK Limited
Registered No. SC106026

Annual Report and Financial Statements
Year ended 31 December 2024

Statement of Financial Position

At 31 December 2024

		31 December 2024	31 December 2023
	Note	GBP 000	GBP 000
Assets			
Non-current assets			
Intangible assets	12	2,265	2,501
Goodwill	13	749	785
Property, plant and equipment	14	903	1,104
		<u>3,917</u>	<u>4,390</u>
Current assets			
Inventories	15	244	229
Trade and other receivables	16	37,442	26,320
Cash at bank		446	396
		<u>38,132</u>	<u>26,945</u>
Total assets		<u>42,049</u>	<u>31,335</u>
Equity and liabilities			
Equity			
Called up share capital	24	—	—
Capital Contribution		4,431	4,431
Translation reserve		47	(97)
Retained earnings		22,180	16,019
Total equity		<u>26,658</u>	<u>20,353</u>
Non-current liabilities			
Lease liabilities	19	485	617
Other liabilities	21	214	280
Deferred tax liability/(asset)	20	8	(13)
		<u>707</u>	<u>884</u>
Current liabilities			
Trade and other payables	17	14,025	9,558
Current tax payable		452	318
Lease liabilities	19	207	222
		<u>14,684</u>	<u>10,098</u>
Total liabilities		<u>15,391</u>	<u>10,982</u>
Total equity and liabilities		<u>42,049</u>	<u>31,335</u>

The accompanying notes form an integral part of these financial statements.

The financial statements of Seatec UK Limited, registered number SC106026, were approved and authorised for issue by the Board of Directors and signed on behalf of the Board on 26 June 2025.

B T Hall

Ben Hall

Director

Seatec UK Limited
Registered No. SC106026

Annual Report and Financial Statements
Year ended 31 December 2024

Statement of Changes in Equity

For the year ended 31 December 2024

	Called up share capital	Capital contribution	Retained earnings	Translation Reserve	Total Equity
	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000
Balance at 1 January 2023	—	4,431	8,294	(28)	12,697
Profit for the year	—	—	7,725		7,725
Other comprehensive income and expense				(69)	(69)
Balance at 31 December 2023	—	4,431	16,019	(97)	20,353
Profit for the year	—	—	6,161	—	6,161
Other comprehensive income and expense	—	—	—	144	144
Balance at 31 December 2024	—	4,431	22,180	47	26,658

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 2024

1 Accounting Policies

Company Information

The Company is a private limited Company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in Scotland with a registered number SC106026. Its registered office is situated at 5th Floor, Skypark, 8 Elliot Place Glasgow G3 8EP. The nature of the Company's operations and its principal activities are set out in the strategic report.

1.1 Accounting Convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101) and in accordance with applicable accounting standards.

The financial statements are presented in Sterling ("GBP"), which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest thousand.

These financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at revalued amounts or fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measuring purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as not realisable value in IAS 2 or value in use IAS 36.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, revenue, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets, leases, business combinations and related party transactions.

Where required, disclosures are given in the group accounts of Star Sirocco Topco Limited. The group accounts of Star Sirocco Topco Limited are available to the public on Companies House.

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.

Seatec UK Limited is a wholly owned subsidiary of Vouvray Aquisition Limited and the results of Seatec UK Limited are included in the consolidated financial statements of Star Sirocco Topco Limited which are available from 1st Floor 6 New Bridge Street, London, United Kingdom, EC4V 6AB.

1.2 Going Concern

At 31 December 2024, the Company held cash balances of £0.4k and had net assets of £26.7m. The Company is a restricted subsidiary and a guarantor under the Group's external borrowing facilities (see note 25).

These financial statements have been prepared on the going concern basis which the Directors believe to be appropriate.

The Company's ultimate parent undertaking, Star Sirocco Topco Limited, will provide financial support to the Company, such that the Company is able to operate as a going concern and to settle its liabilities as they fall due for a period of not less than 12 months from the date of signing the financial statements.

In forming the assessment, the Directors have considered the financial position and liquidity of Star Sirocco Topco Limited and its subsidiaries (the "Group"). As disclosed in the consolidated financial statements, the Group held unrestricted cash balances of \$21.3 million, undrawn revolving credit facilities of \$25.0 million, and an undrawn delayed draw facility of \$74.0 million as at 31 December 2024. The Group also recorded a net cash inflow of \$82.2 million during the year and remained in compliance with its financial covenants, with a year-end leverage ratio of 2.64x LTM EBITDA.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

1.2 Going Concern (continued)

Taking into account the Company's own financial position, the recent capital restructure, and the financial strength and financial support of its ultimate parent company, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future being at least 12 months from the date of approval of these financial statements..

Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

1.3 Revenue

The Company applies a 5 step revenue recognition process as identified by IFRS 15. The process is as follows:

- Step 1 - Identify the contract - identify the enforceable contract with the commercial substance which has been approved by both parties;
- Step 2 - Identify the performance obligations - what goods or service are promised under the contract and if the goods or service are distinct.
- Step 3 - Determine the transaction price - what amount of consideration is expected to be received for the delivery of the project;
- Step. 4 - Allocate the transaction price to each distinct good or service to be delivered; and
- Step 5 - Determine the revenue that should be recognised.

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for services provided and goods supplied in the normal course of business, net of discounts VAT and other sales related taxes.

Service Income represents fees, brokerages and project revenue receivable and is recognised to the extent that there is a right to a consideration, when the stage of completion at the end of the reporting period can be measured reliably and if it is probable the economic benefits from the transaction will flow to the Company; The transaction is recorded when the revenue can be measured reliably at the value of that consideration due. For contract brokerage on short term contracts, income is earned once the service has been performed.

Income receivable in respect of long-term projects is recognised in the accounting periods in which the services are provided by reference to the stage of completion of the contract. The stage of completion of the contracts is determined by reference to the proportion of total cost of providing the service. Amounts receivable are tested for impairment by comparison with the net present value of the Company's share of the estimated net profits.

The Company also delivers a range of goods and services that are transactional services for which revenue is recognised at the point in time when control of the goods or services have transferred to the customer, at the point when the customer obtains control of the goods or services a defined by the customer specified acceptance criteria within the underlying customer contract.

Principal versus agent

The Company has arrangements with some of its clients whereby it needs to determine if it acts as a principal or an agent as more than one party is involved in providing the goods and services to the customer. The Company acts as a principal if it controls a promised good or service before transferring that good or service to the customer. The Company is an agent if its role is to arrange for another entity to provide the goods or services.

Factors considered in making this assessment are most notably the discretion the Company has in establishing the price for the specified good or service, whether the Company has inventory risk and whether the Company is primarily responsible for fulfilling the promise to deliver the service or good. Where the Company is acting as a principal, revenue is recorded on a gross basis. Where the Company is acting as an agent, revenue is recorded at a net amount reflecting the margin earned.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**1.4 Goodwill**

Goodwill arising on the acquisition of subsidiaries and businesses represents the excess of the cost of acquisition over the fair value of the identifiable net assets acquired at the date of the acquisition and is carried at cost less accumulated impairment losses.

Goodwill is not amortised but is tested annually for impairment. For the purpose of impairment testing, goodwill is allocated to a single cash-generating unit, Argo travel. The allocation is made to the cash-generating unit that is expected to benefit from the business combination in which the goodwill arose. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata bases of the carrying amount of each asset in the unit. The impairment loss is recognised immediately in profit and loss as a charge under IAS 36 and is not reversed in subsequent periods. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit and loss on disposal.

1.5 Other intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is charged to administrative expenses in the income statement to write off the cost or valuation of assets less their residual values over their useful lives on a straight-line basis:

- Software - 20-33%
- Customer relationships - 10%

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is charged to administrative expenses in the income statement to write off the cost or valuation of assets less their residual values over their useful lives on a straight-line basis:

Property	6-66%
Leasehold improvement	2-3%
Office equipment	10-33%
Computer equipment	10-33%
Motor vehicle	21-50%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

1.7 Impairment of property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

1.7 Impairment of property, plant and equipment and intangible assets excluding goodwill (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognised as income immediately.

1.8 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Cost is calculated using the FIFO method.

1.9 Fair Value Management

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is exempt under FRS101 from the disclosure requirements of IFRS 13.

1.10 Cash and bank balances

Cash at bank and in hand includes 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.

1.11 Financial assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

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

To ensure the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company determines expected loss rates based on the payment profiles of sales over a period of at least 24 months and also considers other contractual rights to recover management fees e.g. a lien over the vessel, where existent.

Financial assets at fair value through profit and loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the income statement for the reporting period in which it arises.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**1.11 Financial assets (continued)*****Financial assets held at amortised cost***

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Financial assets at fair value through other comprehensive income

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

At initial recognition; financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

The Company has made an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to retained earnings when equity instrument is derecognised or its fair value substantially decreased. Dividends are recognized as finance income in profit or loss.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or 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 of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.12 Financial liabilities

The Company recognizes financial debt when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit and loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**1.12 Financial liabilities (continued)*****Other financial liabilities***

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

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

1.13 Equity instrument

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

1.14 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefit obligations

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

1.17 Leases

At inception, the Company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the Company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the Company's estimate of the amount expected to be payable under a residual value guarantee; or the Company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1.18 Foreign Exchange

The functional currency of the Company is pound sterling.

i) Foreign currency transactions

Transactions in foreign currencies are translated at the prevailing foreign exchange rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Foreign exchange differences arising on translation of monetary assets and liabilities are recognised in the income statement. Exchange gains/losses on translation of foreign currency transactions are recognised in the income statement within administrative expenses.

Non-monetary assets and liabilities that are measured at historical cost or stated at fair value are translated using the exchange rate at the date of transaction or at the date the fair value was determined.

ii) Financial statements of non-GBP denominated operations

The assets and liabilities of non-GBP denominated operations are translated into GBP at the prevailing exchange rate at the balance sheet date. The revenue and expenses of non-GBP denominated operations are translated into GBP at rates approximating the prevailing exchange rate at the dates of the transactions. Foreign currency differences arising on re-translation of non-GBP denominated operations are recognised through other comprehensive income in the currency translation reserve within equity.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**1.19 Software-as-a-Service (SaaS)**

SaaS arrangements are service contracts providing the Company with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

2 Adoption of New and Revised standards**New and amended standards to be adopted by the Company**

The Company adopted the following amendments to standards which became effective for the annual reporting period beginning 1 January 2024. The amendments do not have a significant impact on the Company's financial statements. All other new and amended standards effective from 1 January 2024 were not applicable:

- Amendment to IAS 1 – Classification of liabilities as Current or Non-Current
- Amendment to IAS 1 - Non-current Liabilities with Covenants

3 Critical accounting 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 materially 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

There are no critical accounting judgements concerning the future at the statement of financial position date that may have significant risk of causing material adjustment to the financial statements.

Key sources of estimation uncertainty

There are no key sources of estimation uncertainty identified in the current year.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**4 Revenue**

The Company's revenue disaggregated by primary geographical markets is as follows:

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
United Kingdom	33,817	48,293
European Union	10,326	10,067
	<u>44,143</u>	<u>58,360</u>

The revenue has been further disaggregated by service line as follows:

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Inspections, repairs & maintenance	24,491	32,008
Projects and new builds	2,165	5,767
Subsea services	14,404	15,241
Training	—	3,076
Travel	3,083	2,268
	<u>44,143</u>	<u>58,360</u>

5 Auditor remuneration

Fees payable to the Company's auditor:

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
For audit services		
The audit of the Company's annual financial statements	61	46
Total audit fees	<u>61</u>	<u>46</u>

There were no non-audit expenses paid to the Company's auditor in 2024 (2023:£nil)

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**6 Administrative expenses**

	Year ended 31 December 2024	Year ended 31 December 2023
	GBP 000	GBP 000
Staff Costs	2,250	2,205
Staff expenses	59	39
Property expenses	127	83
Office expenses	420	292
Motor and travel expenses	350	403
Legal and professional expenses	442	322
Insurance expenses	193	324
Equipment expenses	398	594
Bad debt (credit)/charge	(228)	52
Exchange / Finance expenses/(income)	98	260
Fair Value Contingent Consideration (credit)/charge	(412)	221
Depreciation of property, plant and equipment	303	442
Amortisation of intangible assets	416	436
Intercompany expenses	4,360	4,209
	<u>8,776</u>	<u>9,882</u>

7 Employees

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

	Year ended 31 December 2024	Year ended 31 December 2023
	Number	Number
Executive	2	2
Management	2	2
Operations	32	37
Finance	5	6
Administration	2	1
	<u>43</u>	<u>48</u>

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**7 Employees (continued)**

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Wages and salaries	1,817	1,796
Social security costs	343	346
Pension costs	90	63
	<u>2,250</u>	<u>2,205</u>

Staff costs are comprised of direct staff costs and administrative personnel costs. Direct staff costs are included in cost of sales and are costs of employees who are directly engaged in carrying out revenue generating activities. Administrative personnel costs include wages and salaries of management and other administrative staff costs.

8 Directors remuneration

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Remuneration for qualifying services	162	162
Company pension contributions to defined contribution schemes	9	8
	<u>171</u>	<u>170</u>
Highest paid Director		
Remuneration for qualifying services	101	101
Company pension contributions to defined contribution schemes	8	7
	<u>109</u>	<u>108</u>

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2023 - 2).

The number of Directors whereby the cost is borne by another Company is 3 (2023: 3).

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Notes to the Financial Statements for the year ended 31 December 2024 (continued)

9 Net Finance income

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Interest receivable from group companies	1,578	1,167
Interest income	1,578	1,167
Foreign exchange (loss)/gain on loans	(170)	153
Interest on other financial liabilities	(170)	153
Net finance income	1,408	1,320

10 Net Finance expenses

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Interest on other financial liabilities		
Interest payable to group companies	(374)	(360)
Finance cost on lease liabilities	(75)	(48)
Foreign exchange gain/(loss) on loans	426	(1,049)
	(23)	(1,457)

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**11 Income Tax Expense**

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Operations		
Current tax		
UK corporation tax on profits for the current period	—	—
Adjustments in respect of prior periods	—	(50)
	—	(50)
Foreign tax	303	235
Total UK current tax	303	185
Deferred tax		
In respect of the current year	30	40
Adjustments in respect of prior periods	(11)	43
Total deferred tax	19	83
Total tax charge	322	268

The charge for the year can be reconciled to the profit per the income statement as

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Profit before tax	6,483	7,993
Expected tax charge based on corporation tax rate of 25% (2023 : 23.5%)	1,621	1,878
Effects of:	—	—
Expenses not deductible for tax purposes	15	151
Adjustment in respect of prior years	(9)	(7)
Foreign tax not relieved	—	—
Changes in tax rates on deferred tax balances	—	7
Local taxes	—	—
UK group relief received for nil payment	(1,305)	(1,761)
Total tax charge	322	268

The corporation tax rate used for tax on profit on ordinary activities is the main rate of UK corporation tax for the year ended 31 December 2024 is 25% (2023: 23.5%).

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**12 Intangible assets**

	Customer relationships	Software	Other Intangible	Total
	GBP 000	GBP 000	GBP 000	GBP 000
Cost				
At 1 January 2024	4,054	527	—	4,581
Additions	—	249	35	284
Disposals	—	—	—	—
Exchange rate movement	(186)	(1)	—	(187)
At 31 December 2024	3,868	775	35	4,678
Amortisation and impairment				
At 1 January 2024	1,621	459	—	2,080
Amortisation charge for the year	395	21	—	416
Disposals	—	—	—	—
Exchange rate movement	(83)	—	—	(83)
At 31 December 2024	1,933	480	—	2,413
Carrying amount				
At 31 December 2024	1,935	295	35	2,265
At 31 December 2023	2,433	68	—	2,501

The carrying amount of customer relationships wholly relates to its customer lists, business contracts, business records and assembled workforce acquired as part of the Argo travel acquisition. The remaining amortisation period as at 31 December 2024 is 4 years (2023: 5 years).

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**13 Goodwill**

	Goodwill
	GBP 000
Cost	
At 1 January 2024	785
Foreign currency adjustments	(36)
At 31 December 2024	<u>749</u>
Carrying amount	
At 31 December 2024	749
At 31 December 2023	<u>785</u>

The carrying amount wholly relates to Goodwill arising on the acquisition of Argo travel, represents the excess of the cost of acquisition over the fair value of the identifiable net assets acquired at the date of the acquisition and is carried at cost less accumulated impairment losses. Goodwill is not amortised but is tested annually for impairment.

In performing the annual test for impairment, the Company used a 'value-in-use' model to which the Company has applied the similar key estimates and judgements for the discount rates and future cash flows used by the Company to assess impairment on its cash-generating unit. The Company believes this to be appropriate given the consistency of the forecasting process. The assumptions used were the following:

Discount Rate (pre-tax): 12.6% (2023: 18.7%)

Terminal Growth Rate: 1.5% (2023: 1.5%)

Long term growth rate of 2.4% has been applied beyond the 5 year forecast period when calculating the value in use of the Argo travel cash generating unit. The Argo business is expected to operate into perpetuity and includes customer relationship intangibles with a remaining useful life of 5 years (note 12).

The Company notes there is significant headroom available on the goodwill relating to the Argo intangible asset such that there is no reasonably possible change in either the discount rate or terminal growth rate that could lead to the carrying value exceeding recoverable amount, based on the forecasts of the business at the balance sheet date.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

14 Property, plant and equipment

	Property GBP 000	Leasehold improvements GBP 000	Office equipment GBP 000	Computer equipment GBP 000	Motor Vehicles GBP 000	Total GBP 000
Cost						
At 1 January 2024	1,416	260	1,953	264	262	4,155
Additions	43	5	26	12	36	122
Disposals	(161)	—	—	—	(37)	(198)
Exchange rate movements	(17)	(4)	(10)	(3)	(8)	(42)
At 31 December 2024	1,281	261	1,969	273	253	4,037
Accumulated depreciation and impairment						
At 1 January 2024	(722)	(197)	(1,773)	(227)	(132)	(3,051)
Depreciation charge for the year	(136)	(15)	(71)	(15)	(66)	(303)
Disposals	160	—	—	—	37	197
Exchange rate movements	9	1	6	2	5	23
At 31 December 2024	(689)	(211)	(1,838)	(240)	(156)	(3,134)
Carrying amount						
At 31 December 2024	592	50	131	33	97	903
At 31 December 2023	694	63	180	37	130	1,104

Property, plant and equipment includes right-of-use assets, as follows:

	Property GBP 000	Motor vehicles GBP 000	Total GBP 000
Cost			
At 1 January 2024	1,414	262	1,676
Additions	27	32	59
Terminations	—	(37)	(37)
Exchange rate movements	(17)	(7)	(24)
At 31 December 2024	1,424	250	1,674
Accumulated depreciation and impairment			
At 1 January 2024	(721)	(132)	(853)
Depreciation charge for the year	(136)	(64)	(200)
Terminations	—	—	—
Exchange rate movements	9	4	13
At 31 December 2024	(848)	(192)	(1,040)
Carrying amount			
At 31 December 2024	576	58	634
At 31 December 2023	693	130	823

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**15 Inventories**

	Year ended 31 December 2024	Year ended 31 December 2023
	GBP 000	GBP 000
Finished Goods	244	229

The Directors believe that the carrying value of inventories approximate their replacement costs.

16 Trade and other receivables

	Year ended 31 December 2024	Year ended 31 December 2023
	GBP 000	GBP 000
Trade receivables	9,075	8,258
Expected credit loss	(287)	(983)
	8,788	7,275
Financing balances owed from parent	26,633	15,160
Financing balances owed from fellow group undertakings	—	—
Trading balances owed from fellow group undertakings	124	122
Contract assets	32	990
Accrued income and prepayments	1,538	2,530
Other receivables	327	243
Trade and other receivables	37,442	26,320

Note

18

	Year ended 31 December 2024	Year ended 31 December 2023
	GBP 000	GBP 000
Ageing of Trade Receivables:		
Current	2,601	645
30-60 days	5,057	5,319
61-90 days	966	537
91 days +	451	1,757
	9,075	8,258

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**16 Trade and other receivables (continued)**

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Ageing of Expected credit loss:		
Current	(27)	(5)
30-60 days	(19)	(216)
61-90 days	(2)	(48)
91 days +	(239)	(714)
	<u>(287)</u>	<u>(983)</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The Directors consider that the carrying value of trade and other receivables is approximately equal to the fair value. Trading balances owed from fellow group undertakings do not incur interest and have credit terms of 15 days.

Financing balances owed by fellow group undertakings include loans with interest charged on the outstanding balance at 7%, per annum and unpaid interest is added to the balance. Financing balances owed by fellow group undertakings are considered unsecured and are repayable on demand.

The average credit terms offered to clients are between 30 and 60 days. The Directors have reviewed all outstanding debts and made provisions for balances estimated to be irrecoverable based on analysis of the counterparty's current financial position.

At 31 December 2024, £1,130k (2023: £1,311k) of total unprovided amounts due from clients, which the Directors consider fully recoverable, are older than the Company's average credit terms. The Company has not made any provision for doubtful debt against these receivables because there has not been a change in the credit quality of these clients and the amounts are considered receivable.

17 Trade and other payables

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Trade payables	3,959	1,829
Financing balances owed to fellow group undertakings	6,669	1,592
Trading balances owed to fellow group undertakings	460	897
Contract liabilities	285	2,689
Social security liabilities - European Union	134	135
Accrued expenses	2,023	2,295
Other payables	495	121
Trade and other payables	<u>14,025</u>	<u>9,558</u>

The Directors consider that the carrying amount of trade, other payable and all other financial liabilities is approximately equal to their fair value.

Trading balances between fellow group undertakings are considered as unsecured and do not incur any interest and have credit terms of 15 days.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**17 Trade and other payables (continued)**

Amounts owed to fellow group undertakings include loans with interest charged on the outstanding balance at 7% per annum and unpaid interest is added to the balance. Finance balances are repayable on demand.

The average credit terms offered by suppliers are between 30 and 60 days.

18 Contract balances

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Contract asset		
Opening Balance	990	1,646
Invoiced in the period	(990)	(1,646)
Accrued income - current	32	990
Year End Balance	<u>32</u>	<u>990</u>
Contract liabilities		
Opening Balance	2,689	5,319
Released to income statement	(2,689)	(5,319)
Contract liabilities	1,905	2,689
Year End Balance	<u>1,905</u>	<u>2,689</u>

The movement in contract assets relates to an increase in income to be recognised based on the progress of ongoing projects. The significant movement in the balance is in relation to some one off projects reported in the previous financial year that have completed in the current reporting period.

The movement in contract liabilities relates to an increase in income to be deferred based on the progress of ongoing projects.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**19 Lease liabilities**

Maturity analysis:	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Current lease liabilities (within 1 year)		
Property leases	154	157
Vehicle leases	53	65
	<u>207</u>	<u>222</u>
Non current lease liabilities (from 1 years +)		
Property leases	112	161
Vehicle leases	49	71
Less: Effect of discounting	(57)	(30)
	<u>104</u>	<u>202</u>
Non current lease liabilities (from 5 years +)		
Property leases	550	630
Vehicle leases	—	—
Less: Effect of discounting	(169)	(215)
	<u>381</u>	<u>415</u>
Total Lease liabilities	<u><u>692</u></u>	<u><u>839</u></u>

Payments of £264k (2023 : £237k) have been made in the year for the leases:

Payment analysis:	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Property leases	193	169
Vehicle leases	71	68
	<u>264</u>	<u>237</u>

Amounts recognised in profit or loss include the following:

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Depreciation expense on right-of-use assets	200	348
Interest on lease liabilities	70	33
Expense relating to leases of low value assets	4	4

The Directors consider that the carrying amount of the lease obligations is approximately equal to their fair value. The leases are for property and motor vehicles.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**20 Deferred tax liability/(asset)**

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Deferred tax liability/(asset) as at 1 January	(13)	(84)
(Charged) to the income statement in the year	21	71
Deferred liability/(asset) as at 31 December	<u>8</u>	<u>(13)</u>

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Amounts recognised		
Accelerated capital allowances	(305)	(377)
Other temporary differences - intangible assets	—	370
Other temporary differences	(6)	(6)
Intangibles	319	—
	<u>8</u>	<u>(13)</u>

21 Other liabilities

	Year ended 31 December 2024 GBP 000	Year ended 31 December 2023 GBP 000
Provision for early retirement for health reasons applicable under Greek labour law	—	—
Non-current restoration provision	214	280
	<u>214</u>	<u>280</u>

The restoration provision represents dilapidation and reinstatement costs that we expect to incur at the end of our leases, in line with the relevant obligations.

22 Retirement benefit scheme***Defined contribution schemes***

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £90k (2023: £63k). None of this balance is outstanding at the year end.

Notes to the Financial Statements for the year ended 31 December 2024 (continued)**23 Contingent consideration**

Following the acquisition of net assets from the Argo Travel Group on 7 January 2020, part of the consideration was formed by a contingent consideration of an earn out arrangement which requires the Group to pay the former owners of the business certain earn out payments based on the revenue achieved for 2024 against agreed revenue thresholds. The former owners are entitled to interim payments if annual revenue for the years 2021-2023 exceed agreed revenue thresholds for the 'Argo' business. However, any interim payments are either clawed back or netted against the final earn out payment, depending on the revenue achieved for 2024.

In 2024, a final settlement amounting to £412k (€500k) was negotiated and agreed between the Company and the former owners with £83k (€100k) being paid in May 2024 and the remaining balance being paid in January 2025.

24 Called up Share Capital

	Year ended 31 December 2024	Year ended 31 December 2023
	GBP 000	GBP 000
<i>Authorised, issued and fully paid</i>		
51 ordinary shares of £1 each	—	—
	—	—

The Company has one class of share capital which carries no right to fixed income.

25 Contingent liabilities

According to the conditions of the Group's external credit facilities Seatec UK Limited is identified as a Restricted Subsidiary.

Its assets have been pledged as security against the Senior Facilities Agreement. As at 31 December 2024, the total outstanding loan from the Senior Facilities Agreement was USD 237,085,521.

26 Controlling party

On 18 September 2024, Star Sirocco Bidco Limited, a subsidiary of Star Sirocco Topco Limited, acquired 100% of the equity share capital of AI Mistral (Luxembourg) BottomCo S.a.r.l and its subsidiaries ("V Group") for cash consideration of USD 675.8m.

Star Capital Partnership LLP, a 100% owned subsidiary of AI Mistral (Luxembourg) Bottomco S.a.r.l, is the largest and smallest group into which the results of the Company are consolidated. Copies are publicly available consolidated financial statements of Star Capital Partnership LLP can be obtained from its registered office at 1st Floor, 63 Queen Victoria Street, London, EC4N 4UA.

The Directors are of the opinion that the Company ultimately is majority owned and controlled by funds managed and/or advised by STAR Capital Partnership LLP.