

Registered Company Number 10172727

Parent company accounts
for Ensign Holdco 3 Limited
Co. No. 10172900
See p. 30.

Ensign Holdco 1 Limited

Annual Report and Financial Statements

for the year ended 31 July 2022

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COMPANIES HOUSE

Officers and professional advisers

Directors

C Candfield (resigned 31 August 2022)
D Kinzett (appointed 30 June 2023)
S Samra (resigned 30 June 2023)
T Swales (resigned 31 August 2022)
M Taylor

Company Secretary

T Bigmore (appointed 27 February 2023)

Auditor

Deloitte LLP
Statutory Auditor
Abbots House
Abbey Street
Reading
United Kingdom
RG1 3BD

Banker

HSBC Bank PLC UK
1 Centenary Square
Birmingham
United Kingdom
B1 1HQ

Registered Office

71 Fenchurch Street
London
United Kingdom
EC3M 4BS

Strategic Report

for the year ended 31 July 2022

The directors present their Strategic Report on the affairs of Ensign Holdco 1 Limited and its subsidiary undertakings (together, the "Group" or "OneOcean") for the year ended 31 July 2022.

The Group was formed on 1 June 2016 following the sale of the ChartCo Group of companies from the Kelvin Hughes Group to funds managed by Equistone Partners Europe Limited.

On 31 October 2019 the Group acquired Marine Press, a Montreal based provider of software and data to the marine industry. On 1 November 2019 the worldwide operations of the ChartCo Group and Marine Press Canada (MPC) were merged to create OneOcean, the world leader in global digital navigation solutions with software platforms on over 16,000 vessels. On 31 August 2022, Lloyd's Register Group Limited acquired 100% of the OneOcean Group.

Principal activities

Ensign Holdco 1 Limited is the parent holding Company of the Group whose activities are carried out by its subsidiary undertakings which are listed in Note 12 on pages 29, 30 and 31 of the Financial Statements.

The Group is the global leader in intelligent voyage management solutions and the world's largest provider of navigational, compliance, health and safety and environmental data and digital services into the maritime sector. The Group provides SaaS data and digital solutions to over 16,000 vessels.

OneOcean allows teams onshore and onboard to access OneOcean's full range of market leading brands:

PassageManager – ensures safe and compliant voyage planning through an intuitive and innovative graphical interface. It allows the user to create comprehensive and compliant passage plans in minutes and manage the purchasing of all the vessels data requirements automatically.

Regs4ships – is the world's most comprehensive digital maritime regulation solution, which allows management and vessels to keep fully up to date with ever changing flag state, regional and international legislation and regulations.

EnviroManager – is a powerful, intuitive software solution to help crew and shore based professionals comply with the ever changing and growing marine environmental regulations.

FleetManager – is a software platform which provides shore based professionals access to a range of dynamic information to manage and track their fleet of vessels, increase efficiency and enhance decision making.

Docmap – is a world leading safety and quality management system, a next generation set of applications for HSEQ compliance.

SeaTab – is a turnkey solution providing instant situational awareness and portable ENC (Electronic Navigational Charts) viewing on a dedicated tablet device.

LogCentral – is an industry leading digital logbook solution for recordkeeping, reporting and compliance verification.

Review of business performance

Turnover for the Group for the year was £59.7m (2021: £64.7m) and operating loss after exceptional costs and amortisation of intangibles for the year was £11.6m (2021: £1.3m loss). Cash generated from operating activities was £10.4m (2021: £4.7m).

The Group performed well in the year, increasing market share and accelerating its digital offering into the global commercial marine market. The number of vessels subscribing to OneOcean software in the year grew by 2% and the total number of data service subscriptions grew by 10%.

The Group's digital products and services have shown strong resilience and have continued to grow in terms of revenue, number of vessels subscribing to the OneOcean platform and the number of subscription, digital, data services.

Strategic Report

for the year ended 31 July 2022 (continued)

	Year ended 31 July 2022	Year ended 31 July 2021
Group Financial Highlights	£m	£m
Turnover	59.7	64.7
Gross profit	25.8	23.4
Gross profit %	43.2%	36.1%
Adjusted EBITDA *	10.6	8.2
Adjusted EBITDA%	17.8%	12.7%
Operating loss *	(11.6)	(1.3)
Net cash inflow/(outflow)	0.3	(1.6)

* As defined below

Key performance indicators

The directors measure the performance of the Group principally by the yardstick of an adjusted EBITDA. The directors are very pleased with the 30% growth in this key performance indicator from the previous year. In the year ended 31 July 2022 an adjusted EBITDA of £10.6m was achieved. Adjusted EBITDA is arrived at by adjusting operating loss as follows:

	Year ended 31 July 2022	Year ended 31 July 2021
	£m	£m
Operating loss	(11.6)	(1.3)
Amortisation of goodwill and other intangible assets	5.4	5.5
Amortisation of research and development	2.6	2.2
Depreciation	0.3	0.4
Exceptional costs	13.7	1.3
Stewardship costs	0.2	0.1
Adjusted Group EBITDA	10.6	8.2

Exceptional costs of £13.7m (2021: £1.3m) are considered to be those costs which form part of identified transformation programmes which are clearly identified by the Board, are separable from the primary trading activities, and span no longer than a two-year period. The primary transformation activities impacting the financial periods presented being 1) Transaction costs relating to positioning the Group ahead of a change of ownership; 2) Recognition of Share Based Payments; 3) M&A activities relating to Shipping Guides Limited and the associated integration costs of this activity; and 4) Project management and subsequent reorganisation and restructuring costs associated with the outsourcing of the physical warehouse operations. Such transformation activities are shown separately to assist with an understanding of the primary trading performance of the business and to separately allow users to understand the financial impact of these material change programmes. Further to transformation activities, the directors will separately disclose one off costs deemed to be highly material and non-recurring, such as exceptional legal settlements. Such events are rare and are disclosed to ensure that material, and unusual one-off items are given sufficient prominence and to allow the primary trading performance of the business to be understood. All such items are presented in arriving at operating profit. A breakdown of costs within these activities is provided below.

In preparation for a potential sale of the business (see Note 24) £9.2m of cost has been incurred. These costs included corporate finance advice, due diligence and legal advice.

Strategic Report

for the year ended 31 July 2022 (continued)

Key Performance Indicators (continued)

A £3.3m share based-payment charge has been recognised in relation to a bonus scheme in place for senior management on sale of the business (see Note 6).

Supplier consolidation costs of £0.3m (2021: £0.3m) relate to the transitional costs incurred during the period of aligning the supplier base across the enlarged Group, specifically in relation to Shipping Guides. Costs considered to be dual-running costs have been treated as exceptional.

Outsourcing of warehousing operations was executed during the year, with costs of £0.2m relating to the feasibility study and subsequent restructuring and transfer of employees.

All other costs of £0.7m.

Adjusted EBITDA increased from £8.2m for the year ended 31 July 2021 to £10.6m.

Research and development

The Group continues to invest in the important area of research and development. The Group spent £4,169,000 on research and software development during the period, of which £3,058,000 related to development projects which have been capitalised, whilst £2,863,000 of previously capitalised research and development was amortised during the period.

In the period the principal focus of the Group's software development efforts were on the OneOcean platform. OneOcean is the most technically advanced software platform on the market for managing navigation, compliance and regulation onshore or onboard the vessel. OneOcean is the global market leader in terms of number of subscribers, depth of functionality, integration into the bridge navigational systems and processes and data purchasing capabilities.

Strategic Report

for the year ended 31 July 2022 (continued)

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Group are:

Retention of key personnel

Having the right people with the right skills is the single most important element to the successful implementation of the Group's strategy. The risk of losing, or not being able to attract, good people is key. We foster an environment that allows people to achieve their potential; receive fair pay; and have good working conditions. We pride ourselves in having the most professional and skilled workforce in the industry.

Actions of Competitors

The Group operates in highly competitive markets. Product innovations or technical advances by competitors could adversely affect the Group. The diversity of operations reduces the possible effect of action by any single competitor. The Group continues to invest in research and development in order to sustain competitive advantage and works continually to ensure that the cost base is competitive.

Exposure to Liquidity Risk and Debt Service Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets. The Group also manages liquidity risk via a revolving credit facility and long term debt.

Foreign exchange risks

The Group makes a proportion of its sales in foreign currencies, principally US Dollars. The resulting foreign exchange risk is managed through natural hedging with the US Dollar tranche of the Group's bank loan.

Credit Risk

The Group is exposed to credit risk in relation to customers, banks and insurers. Credit control practice takes into account the perceived risk from the customer base, which is relatively diverse. The Group invests considerable time in maintaining an informed relationship with its bankers and monitors the stability of its insurers.

Strategic Report

for the year ended 31 July 2022 (continued)

Section 172(1) statement

In performing their duties under Section 172, the directors of Ensign Holdco 1 Limited have had regard to the matters set out in section 172(1) as follows:

a. The likely consequences of any decision in the long-term:

The directors understand the business and the evolving environment in which the company operates, and all decisions are made with the objective to increase long-term value for shareholders.

b. The interests of the company's employees:

The directors recognise that the employees are fundamental and core to the business and delivery of strategic ambitions and factor the implications of strategic decisions on employees. The directors engage with employees through regular surveys and communications in which they invite employees to ask questions or provide comments for them to consider.

c. The need to foster the company's business relationships with suppliers, customers and others:

Delivering strategy requires strong mutually beneficial relationships with suppliers and customers. The company continuously assess the priorities related to customers and key suppliers, and the directors engage with these companies on these topics and future developments. See page 7 for further information on suppliers as stakeholders.

d. The impact of the company's operations on the community and the environment:

OneOcean Group is a sustainably focused company and corporate social responsibility is considered when making strategic decisions. The directors are aware of the industry environmental impact and support the government and suppliers long term goals on factors such as CO2 emissions.

e. The desirability of the company maintaining a reputation for high standards of business conduct:

The Group periodically reviews and approves clear frameworks, such as the Code of Conduct, Human Resource Policies, Fraud Management, Information Security, Ethics and Compliance and its Modern Slavery Statements, to ensure that high standards are maintained both within the Group and business relationships.

f. The need to act fairly as between members of the company:

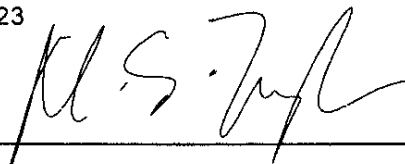
After consideration of all relevant factors, the directors consider which course of action best enables delivery of strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, the directors act fairly between the Group's members.

Future outlook

On 31 August 2022, Lloyd's Register Group Limited acquired 100% of the OneOcean Group. The business plan for future growth will continue to be through organic and inorganic means and to develop OneOcean services by way of focused sales and marketing activities whilst integrating into the wider Lloyd's Register Group and building on their existing performance, management and optimisation services.

Approved by the Board and signed on its behalf by:

M Taylor
Director
20 July 2023



Directors' Report

for the year ended 31 July 2022

The directors present their Annual Report and audited Financial Statements for the year ended 31 July 2022.

Disclosures, which have been included in the Strategic Report, as required by section 416(4) of the Companies Act 2006, include Research and Development, Principal Risks and Uncertainties and Future Outlook.

Results and dividends

The consolidated statement of income is set out on page 15 and shows the loss for the year.

No dividends were paid in the year (2021: £nil). The directors proposed a final dividend of £nil (2021: £nil).

Future developments

The business plan is for future growth through both organic and inorganic means and to develop OneOcean services by way of focused sales and marketing activities.

Existence of branches outside of the UK

The company has subsidiaries in Singapore, Canada, The Netherlands, Norway, Sweden, Malaysia, Greece and Japan (Note 12).

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Group are discussed within the Strategic Report.

Supplier policy

The Group's current policy for the payment of suppliers is as follows:

- payment terms are agreed at the start of the relationship with the supplier and are only changed by agreement;
- standard payment terms to suppliers of goods and services are between 30 and 90 days from receipt of a correct invoice for satisfactory goods or services which have been ordered and received unless other terms are agreed in a contract;
- payment is made in accordance with the agreed terms or in accordance with the law if no agreement has been made; and
- suppliers are advised when an invoice is contested without delay and disputes will be settled as quickly as possible.

Actual supplier days were 78 (2021: 64) from receipt of correct invoice.

Directors

The directors who held office during the year and to the date this report were as follows:

C Candfield (resigned 31 August 2022)

D Kinzett (appointed 30 June 2023)

S Samra (resigned 30 June 2023)

T Swales (resigned 31 August 2022)

M Taylor

Directors' Report

for the year ended 31 July 2022 (continued)

Directors' qualifying third party indemnity provisions

The directors of the Group have the benefit of a directors' and officers' insurance policy which is in place at the date of this report and applicable to all companies in the Group.

Environmental sustainability

OneOcean Group is a sustainably focused company and corporate social responsibility is considered when making strategic decisions. The directors are aware of the industry environmental impact and support the government and suppliers long term goals on factors such as CO₂ emissions.

The Group has, for many years, developed digital solutions specifically designed to reduce the environmental impact of the marine industry:

- **PassageManager** makes voyage planning more effective and efficient, therefore reducing the carbon emissions of a vessels journey
- **EnviroManager** is the world's leading software tool minimising the impact of shipping on the environment and assisting crew and onshore teams meet their legislative and regulatory environmental obligations
- **LogCentral** provides a digital solution for recordkeeping, monitoring, reporting and compliance verification of a number of operations on board the vessel. This facilitates performance management to reduce the environmental impact of the fleet

Streamlined energy and carbon reporting statement

The company has consumed less than 40,000kWh of energy during the current financial year and has therefore elected to apply the reporting exemption as a low energy user.

Going concern

In determining the appropriate basis of preparation of the Annual Report and Financial Statements, the directors are required to consider whether the Group can continue in operational existence for the foreseeable future; that is for at least 12 months from the date of signing this report. In assessing this, a letter of support from Lloyd's Register Group Limited has been provided confirming financial support for a period of at least until 31 July 2024. The directors of the Company have reviewed the forecast performance and financial position of the Lloyd's Register Group Limited and are satisfied that it has the ability to provide the required support throughout the assessment period.

The loss for the year is stated after charging goodwill amortisation of £5,355,000 (2021: £5,544,000), research and development amortisation of £2,636,000 (2021: £2,211,000) and depreciation of £319,000 (2021: £410,000), all of which are non-cash items. The Group also had exceptional costs of £13,665,000 in the year (2021: £1,285,000).

The net liabilities of the Group at 31 July 2022 were £58.1m (2021: £33.8m net liability). The directors have approved a budget for the financial year ending 31 July 2023 and a longer term strategic model which demonstrates continued profitable growth and positive cash generation. Analysis of forecasts, including downside scenarios, provide sufficient comfort that all covenants will be met for the forecast period.

Accordingly, after making enquiries and performing supporting analysis, the directors have formed a judgement at the time of approving the Financial Statements that it is their expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Group Financial Statements.

Further disclosure is provided in Note 1 to the Financial Statements.

Directors' Report

for the year ended 31 July 2022 (continued)

Disclosure of information to auditor

Each director at the date of approval of this report confirms that:

- as far the director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Post balance sheet events

On 31 August 2022, Lloyd's Register Group Limited acquired 100% of the OneOcean Group. On 31 March 2023, OneOcean Group Limited acquired 50% interest in ISF Watchkeeper (Note 24).

Auditor

Pursuant to Section 487 of the Companies Act 2006, Deloitte LLP will be deemed to be reappointed and will therefore continue in office until further notice.

Approved by the Board and signed on its behalf by:



M Taylor
Director
20 July 2023

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

In preparing these Financial Statements, the directors are required to:

- select suitable accounting policies 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 Group 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.

Independent auditor's report

to the members of Ensign Holdco 1 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Ensign Holdco 1 Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of income and statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 group and the parent 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the original 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

Independent auditor's report

to the members of Ensign Holdco 1 Limited (continued)

whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 group's and the parent 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 group or the parent 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 group's industry and its control environment, and reviewed the group'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 group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group 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 UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team 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 in the following area, and our procedures performed to address it are described below:

Independent auditor's report

to the members of Ensign Holdco 1 Limited (continued)

- risk of fraud in revenue recognition pinpointed at the cut-off of digital subscription revenue: we performed tests of detail inspecting source documentation in order to independently recalculate the portion of the revenue recognised in the period and the portion to be deferred in future periods..

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 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 group and of the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

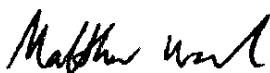
We have nothing to report in respect of these matters.

Independent auditor's report

to the members of Ensign Holdco 1 Limited (continued)

Use of our report

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



Matthew Ward BA FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
20 July 2023

Consolidated statement of income and statement of comprehensive income

for the year ended 31 July 2022

		Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
	Notes		
Turnover	3	59,678	64,670
Cost of sales		(33,926)	(41,308)
Gross profit		25,752	23,362
Administrative expenses		(37,318)	(24,709)
Operating loss	4	(11,566)	(1,347)
Operating profit before administrative expenses disclosed below			
		10,090	7,693
Amortisation of intangibles	10	(7,991)	(7,755)
Exceptional costs	4	(13,665)	(1,285)
		(21,656)	(9,040)
Operating loss		(11,566)	(1,347)
Finance costs (net)	8	(12,580)	(5,854)
Loss before taxation		(24,146)	(7,201)
Tax on loss	9	(527)	(361)
Loss for the financial year		(24,673)	(7,562)
Exchange difference on retranslation of net assets of subsidiary undertakings		349	(14)
Total comprehensive expense for the year		(24,324)	(7,576)

All amounts relate to continuing activities.

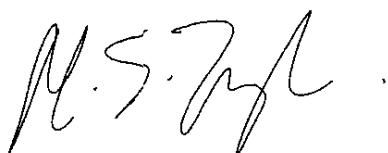
Consolidated balance sheet

as at 31 July 2022

		2022	Restated*
	Notes	£000	2021 £000
Fixed assets			
Intangible assets	10	56,219	59,803
Tangible assets	11	637	856
		<u>56,856</u>	<u>60,659</u>
Current assets			
Stocks	13	1,547	2,304
Debtors	14	17,321	14,400
Cash at bank and in hand		8,730	8,420
		<u>27,598</u>	<u>25,124</u>
Creditors: amounts falling due within one year	15	<u>(39,821)</u>	<u>(23,502)</u>
Net current (liabilities) / assets		<u>(12,223)</u>	<u>1,622</u>
Total Assets less current liabilities		<u>44,633</u>	<u>62,281</u>
Creditors: amounts falling due after more than one year	16	<u>(102,741)</u>	<u>(96,065)</u>
Net liabilities		<u>(58,108)</u>	<u>(33,784)</u>
Capital and reserves			
Called up share capital	18	2	2
Share premium account		98	98
Profit and loss account		<u>(58,208)</u>	<u>(33,884)</u>
Shareholder's deficit		<u>(58,108)</u>	<u>(33,784)</u>

* See Notes 14, 15 and 19.

The Financial Statements were approved by the Board and authorised for issue on 20 July 2023 and signed on its behalf by:



M Taylor

Director

Company balance sheet

as at 31 July 2022

Company Number: 10172727

	Notes	2022 £000	2021 £000
Fixed assets			
Investments	12	88	88
Current Assets			
Debtors	14	12	12
Current Liabilities			
Accruals	15	(12,621)	-
Net (liabilities)/assets		<u>(12,521)</u>	<u>100</u>
Capital and reserves			
Called up share capital	18	2	2
Share premium account		98	98
Profit and loss account		<u>(12,621)</u>	<u>-</u>
Shareholder's (deficit)/funds		<u>(12,521)</u>	<u>100</u>

The Company made a £12.6m loss in the year (2021: £nil).

No statement of income or statement of total comprehensive income is presented for the Company as permitted by section 408 of the Companies Act 2006.

The Financial Statements were approved by the Board and authorised for issue on 20 July 2023 and signed on its behalf by:



M Taylor

Director

Consolidated statement of changes in equity

for the year ended 31 July 2022

	<i>Called up share capital £000</i>	<i>Share premium account £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holder's deficit £000</i>
At 1 August 2020	2	98	(26,308)	(26,208)
Loss for the year	-	-	(7,562)	(7,562)
Currency translation differences	-	-	(14)	(14)
Total comprehensive expense	-	-	(7,576)	(7,576)
At 31 July 2021	2	98	(33,884)	(33,784)
Loss for the year	-	-	(24,673)	(24,673)
Currency translation differences	-	-	349	349
Total comprehensive expense	-	-	(24,324)	(24,324)
At 31 July 2022	2	98	(58,208)	(58,108)

Company statement of changes in equity

for the year ended 31 July 2022

	<i>Called up share capital £000</i>	<i>Share premium account £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holder's funds £000</i>
At 1 August 2020	2	98	-	100
Total comprehensive income	-	-	-	-
At 31 July 2021	2	98	-	100
Total comprehensive income	-	-	(12,621)	(12,621)
At 31 July 2022	2	98	(12,621)	(12,521)

Consolidated cash flow statement

for the year ended 31 July 2022

	Note	2022 £000	2021 £000
Net cash inflow from operating activities	19	10,405	4,713
Cash flows from investing activities			
Capital expenditure		(135)	(88)
Research and development		(3,542)	(2,211)
Acquisitions, net of cash acquired		(864)	(919)
Net cash flows used in investing activities		(4,541)	(3,218)
Cash flows from financing activities			
Interest paid		(2,554)	(3,084)
Repayments of borrowings		(3,000)	-
Net cash flows used in financing activities		(5,554)	(3,084)
Net increase/(decrease) in cash and cash equivalents		310	(1,589)
Cash and cash equivalents at beginning of year		8,420	10,009
Cash and cash equivalents at end of year		8,730	8,420

Notes to the financial statements

for the year ended 31 July 2022

1. Accounting policies

Basis of preparation

The Financial Statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council (FRC) and the Companies Act 2006, on a going concern basis.

Ensign Holdco 1 Limited is a private company limited by ordinary shares, incorporated in the United Kingdom and registered in England and Wales. The address of the Company's registered office is shown on page 1. The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Going concern

The Group's external borrowing facilities and the cash flows of the business are managed on a Group-wide basis. As a result, the directors have undertaken their going concern assessment across the Group as a whole. The Group directors' assessment of going concern can be found within the Directors' Report on pages 7 to 9. A letter of support from Lloyd's Register Group Limited has been provided confirming financial support for a period of at least until 31 July 2024. The directors of the Company have reviewed the forecast performance and financial position of the Lloyd's Register Group Limited and are satisfied that it has the ability to provide the required support throughout the assessment period.

Accordingly, after making enquiries, the directors have formed a judgement at the time of approving the financial statements that it is their expectation that the Group as a whole has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

Group financial statements

The Group Financial Statements consolidate the Financial Statements of Ensign Holdco 1 Limited and all its subsidiary undertakings for the year ended 31 July 2022. No profit and loss account is presented for the Company as permitted by section 408 of the Companies Act 2006. The loss for the Group for the year was £24.3m (2021: £7.6m loss).

Parent company disclosure exemptions

Ensign Holdco 1 Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Notes to the financial statements

for the year ended 31 July 2022 (continued)

1. Accounting policies (continued)

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Research and development

Expenditure on research and development projects is charged to the profit and loss account in the year in which it is incurred, with the exception of expenditure on the development of new products, and enhancements to existing products, where the outcome of those projects is assessed as being reasonably certain as regards technical feasibility, and continues to be commercially viable. Such expenditure is capitalised as intangible assets and amortised straight line over a period of 5 years, commencing in the year sales of the product are first made.

Goodwill and other intangible assets

Intangible assets comprise goodwill, certain acquired separable corporate brand names, acquired customer relationships and technology not integral to a related item of hardware.

Goodwill represents the excess of fair value attributed to investments in businesses or subsidiary undertakings over the fair value of the underlying net assets, including intangible assets at the date of their acquisition.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the net present value of future cash flows derived from the underlying assets using a projection period of up to five years for each cash-generating unit. After the projection period a steady growth rate representing an appropriate long-term growth rate for the industry is applied. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Corporate brand names, customer relationships and technology acquired as part of acquisitions of businesses are capitalised separately from goodwill as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group.

Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life as follows:

Customer relationships	– 10 years
Technology	– 10 years
Brand names	– 20 years
Goodwill	– 20 years

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset on a straight line basis over its expected useful life, as follows:

Fixtures, fittings and equipment	– over 3 to 10 years
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Notes to the financial statements

for the year ended 31 July 2022 (continued)

1. Accounting policies (continued)

Investments

Investments in subsidiary undertakings and associates are stated at cost less provision for impairment. Any impairment is charged to the profit and loss account as it arises.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined using the standard costing method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Provisions for liabilities

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. The Group provides for obligations of this nature as they arise through the normal course of business.

Financial Instruments

(i) Financial assets – loans and receivables

- *Cash and cash equivalents*

Cash and cash equivalents include cash at bank and in hand and short-term deposits with an original maturity year of less than three months.

- *Trade and other receivables*

Trade receivables do not carry any interest and are stated at their fair value on initial recognition, and then subsequently at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Impairment provisions are recognised when there is objective evidence that the Company will be unable to collect all of the amounts due under the terms receivable.

(ii) Financial liabilities – held at amortised cost

- *Trade payables*

Trade payables are not interest bearing and are stated at their fair value on initial recognition, and then subsequently at amortised cost.

- *Loans and borrowings*

Bank borrowings represent interest bearing loans which are recorded at fair value on initial recognition, being proceeds received net of direct issue costs. Finance charges are accounted for on an accruals basis through the profit and loss account.

- *Capital*

Financial instruments issued by the Company are treated as equity if the holders have only a residual interest in the assets of the Company after the deduction of all liabilities. The Company's ordinary shares are classified as equity instruments. For the purposes of the disclosures in the statement of changes in equity the Company considers its capital to comprise its ordinary share capital, share premium and accumulated retained earnings.

Notes to the financial statements

for the year ended 31 July 2022 (continued)

1. Accounting policies (continued)

Taxation

The tax on profit includes amounts paid or received for Group relief in respect of tax losses claimed and surrendered in the current year, as well as adjustments in respect of prior years.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

The results of overseas operations are translated at the average rates of exchange during the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used, and their balance sheets at the rates ruling at the balance sheet date.

Pensions

The Company contributes to employees' individual personal defined contribution pension plans. The pension plans are administered by the pension companies independently of the Company's finances. The contributions made by the Company are charged against the profits on a payment basis. The level of contribution is decided by the directors.

Leases

The Group is party to operating leases contracts for, among others, office space, vehicles and telecommunications network and equipment. The lease payments are recognised as an expense in the income statement over the lease term on a straight-line basis.

Share based payments

The company introduced a cash-settled share-based payment scheme involving certain employees within the Group. A liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date for cash-settled share-based payments. For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2. Critical accounting judgements and key sources of estimation uncertainty

Critical accounting judgments

The following judgement (apart from those involving estimates) has had the most significant effect on amounts recognised in the Financial Statements.

Development costs

The Group spent £4,169,000 on research and development during the year, of which £3,058,000 related to development projects which have been capitalised. Salary costs of employees engaged in development activity are capitalised up to a maximum of 80% in addition to any related third party costs incurred. The actual proportion of research and development cost capitalised in the year was 73%, representing 11% of total Group payroll costs. Management believe that the current capitalisation policy is appropriate and that no amendments to this policy are required.

Notes to the financial statements

for the year ended 31 July 2022 (continued)

Key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 1, the directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised 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.

Impairment of goodwill and other intangibles

Determining whether goodwill or other intangibles are impaired requires an estimation of the value in use of the entities to which goodwill has been allocated. The value in use calculation requires an estimation of the future cash flows expected to arise from the entities and a suitable discount rate in order to calculate present value. The carrying amount of goodwill and other intangibles at the balance sheet date was £56.2 million (2021: £59.8 million).

The key assumptions for the value in use calculations are those regarding the discount rates, revenue growth rates, allocation of costs and capital expenditure. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the Group. Revenue forecasts are based on continuing the historic levels of vessel and subscriber growth the increase in numbers of digital services per vessel and the new service opportunities presented by increased vessel connectivity and the transition from physical to digital products. No change in pricing has been assumed. Cost allocations are based on management's forecasts through to 2024 and increasing in line with revenue growth after this. Capital expenditure is allocated to each entity based on its proportion of the overall fixed asset base, increasing in line with the revenue profile for future periods.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolates cash flows into perpetuity using estimated growth rates based on the expected long term level of inflation expected at the acquisition date.

The rate used to discount the forecast cash flows was 15.0% (2021: 15.0%) across the Group.

The directors have determined appropriate assumptions relating to discount rates, tax rates, revenues and attrition for each of the asset groups identified.

3. Turnover

	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
Group	59,678	64,670

The majority of turnover is derived from outside the UK. No further segmental information has been provided on the basis that the directors believe it to be prejudicial.

Notes to the financial statements

for the year ended 31 July 2022 (continued)

4. Operating loss

This is stated after charging/(crediting):

	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
Depreciation of owned fixed assets	319	410
Amortisation of capitalised development costs	2,636	2,211
Amortisation of goodwill and other intangible assets	5,355	5,544
Research and development expensed	1,825	1,556
Foreign exchange (gains)/losses	(207)	154
Cost of stock recognised as an expense / (income)	131	(17)
Impairment of stock as an expense	11	50
Operating lease charges - Buildings	880	888
- Plant and machinery	2	4
Auditor's remuneration - audit	150	140
- tax services (compliance)	20	22
- other services	-	15
Exceptional costs	10,339	1,285
Share-based payments	3,326	-

Amortisation of intangible assets is included in administrative expenses.

Auditor's remuneration in respect of Deloitte LLP for the year ended 31 July 2022 amounted to £170,300 (2021: £177,400), comprising auditing of the financial statements £150,000 (2021: £140,000) and taxation compliance services £20,300 (2021: £22,400) and other services £nil (2021: £15,000).

Exceptional costs of £13.7m (2021: £1.3m) are considered to be those costs which form part of identified transformation programmes which are clearly identified by the Board, are separable from the primary trading activities, and span no longer than a two-year period. The primary transformation activities impacting the financial periods presented being 1) Transaction costs relating to positioning the Group ahead of a change of ownership; 2) Recognition of Share Based Payments; 3) M&A activities relating to Shipping Guides Limited and the associated integration costs of this activity; and 4) Project management and subsequent reorganisation and restructuring costs associated with the outsourcing of the physical warehouse operations. Such transformation activities are shown separately to assist with an understanding of the primary trading performance of the business and to separately allow users to understand the financial impact of these material change programmes. Further to transformation activities, the directors will separately disclose one off costs deemed to be highly material and non-recurring, such as exceptional legal settlements. Such events are rare and are disclosed to ensure that material, and unusual one-off items are given sufficient prominence and to allow the primary trading performance of the business to be understood. All such items are presented in arriving at operating profit. A breakdown of costs within these activities is provided below.

In preparation for a potential sale of the business (see Note 24) £9.2m of cost has been incurred. These costs included corporate finance advice, due diligence and legal advice.

A £3.3m share based-payment charge has been recognised in relation to a bonus scheme in place for senior management on sale of the business (see Note 6).

Supplier consolidation costs of £0.3m (2021: £0.3m) relate to the transitional costs incurred during the period of aligning the supplier base across the enlarged Group, specifically in relation to Shipping Guides. Costs considered to be dual-running costs have been treated as exceptional.

Outsourcing of warehousing operations was executed during the year, with costs of £0.2m relating to the feasibility study and subsequent restructuring and transfer of employees.

Notes to the financial statements

for the year ended 31 July 2022 (continued)

5. Directors' remuneration

Remuneration of £524,350 (2021: £463,500), including pension contributions of £38,100 (2021: £37,200) was paid to directors during the year by subsidiaries of the Group. The emoluments of the highest paid Director were £290,500 (2021: £257,000), including company pension contributions of £21,100 (2021: £20,600) that were paid to a defined contribution scheme on their behalf. The number of directors of Ensign Holdco 1 Limited accruing benefits under the Group's defined contribution scheme is 2 (2021: 2). All costs were borne by OneOcean Group Limited.

6. Share-based payments

The group introduced a cash-settled share-based payment scheme for two eligible employees in the year. The actual payment made was within one month of the financial year end and has been deemed to represent the fair value of the liability. The total charge for the year was £3,326,000 (2021: £nil). The employees benefitting from the scheme were employees of OneOcean Group Limited.

7. Staff costs

<i>Group</i>	<i>Year ended 31 July 2022 £000</i>	<i>Year ended 31 July 2021 £000</i>
Salaries	11,169	11,274
Social security costs	1,281	1,299
Pension costs	305	298
	<u>12,755</u>	<u>12,871</u>

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

	<i>2022 No.</i>	<i>2021 No.</i>
Sales	41	49
Customer Service	44	52
Product Development	110	106
Administration and Other	64	65
	<u>259</u>	<u>272</u>

There were no employees or staff costs in the Company during the year (2021: £nil).

8. Interest payable and similar expense

	<i>Year ended 31 July 2022 £000</i>	<i>Year ended 31 July 2021 £000</i>
Interest payable on loan notes	5,187	4,899
Interest payable on bank loans and overdrafts	2,904	2,818
Translation loss / (gain) on loans	4,489	(1,863)
Total finance costs	<u>12,580</u>	<u>5,854</u>

Notes to the financial statements

for the year ended 31 July 2022 (continued)

9. Tax

(a) Tax on loss

The tax charge is made up as follows:

	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
<i>Current tax:</i>		
UK Corporation Tax on loss of the year	534	131
Adjustments in respect of previous year	(36)	56
Total current tax	498	187
<i>Deferred tax:</i>		
Origination and reversal of timing differences	73	148
Adjustments in respect of previous year	(44)	(62)
Effect of changes in tax rates	-	88
Total deferred tax (Note 16)	29	174
Total tax on profit (Note 9(b))	527	361

(b) Factors affecting tax charge / (credit) for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
Loss before tax	(24,163)	(7,201)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(4,591)	(1,368)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	4,564	1,608
Income tax not taxable for tax purposes	-	(126)
R&D expenditure credits	22	39
Fixed asset differences	(2)	1
Effects of other tax rates/credits	614	-
Adjustments in respect of previous years	(80)	(6)
Deferred tax not recognised		213
Total tax for the year (Note 9(a))	527	361

Notes to the financial statements

for the year ended 31 July 2022 (continued)

9. Tax (continued)

(c) Deferred taxation

At 31 July 2021 the Company has recognised a deferred tax liability of £589,000 (2021: £562,000) arising from accelerated capital allowances and other timing differences (Note 15).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Finance Act 2021 provided for an increase to the main rate of UK corporation tax rate from 19% to 25% effective from 1 April 2023. This change had been substantively enacted at the balance sheet date and consequently this rate has been reflected in the calculation of deferred tax.

10. Intangible Fixed Assets

Group	Customer relationships £000	Technology £000	Brands £000	Goodwill	Capitalised development £000	Total £000
Cost:						
At 1 August 2021	18,408	12,035	1,535	39,653	17,234	88,865
Additions	-	-	-	865	3,542	4,407
At 31 July 2022	18,408	12,035	1,535	40,518	20,776	93,272
Amortisation:						
At 1 August 2021	(9,399)	(4,748)	(363)	(8,453)	(6,099)	(29,062)
Charged during the year	(1,835)	(1,249)	(70)	(2,201)	(2,636)	(7,991)
At 31 July 2022	(11,234)	(5,997)	(433)	(10,654)	(8,735)	(37,053)
Net book value:						
At 31 July 2022	7,174	6,038	1,102	29,864	12,041	56,219
At 31 July 2021	9,009	7,287	1,172	31,200	11,135	59,803

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss. The costs relate to the development of PassageManager and OneOcean which are being amortised over 5 years in line with Group policy. The proportion of research and development cost capitalised in the year was 73%, representing 11% (2021: 8%) of total Group payroll costs.

Notes to the financial statements

for the year ended 31 July 2022 (continued)

11. Tangible Fixed Assets

Group

Fixtures,
fittings and
equipment
£000

Cost or valuation:

At 1 August 2021

2,396

Additions

15

At 31 July 2022

2,541

Depreciation:

At 1 August 2021

(1,540)

Charge for the year

(364)

At 31 July 2022

(1,904)

Net book value:

At 31 July 2022

637

At 31 July 2021

856

12. Investments

Company

Investments in
Group undertakings
£000

At 31 July 2021 and 31 July 2022

88

Subsidiary undertakings:

Name and registered office	Class of Share	Holding	Nature of business
Ensign Holdco 2 Limited Unit 4, Voltage, Mollison Avenue, Enfield, EN3 7XQ, England, UK	Ordinary	100%	Provision of finance
Ensign Holdco 3 Limited * Unit 4, Voltage, Mollison Avenue, Enfield, EN3 7XQ, England, UK	Ordinary	100%	Provision of finance
Ensign Holdco 4 Limited * Unit 4, Voltage, Mollison Avenue, Enfield, EN3 7XQ, England, UK	Ordinary	100%	Provision of finance
OneOcean Group Limited * Unit 4, Voltage, Mollison Avenue, Enfield, EN3 7XQ, England, UK	Ordinary	100%	Provider of software, charts, navigational data, marine technical publications and marine digital services
Regs4ships Limited * Unit 4, Voltage, Mollison Avenue, Enfield, EN3 7XQ, England, UK	Ordinary	100%	Provider of software, marine regulation and compliance data and marine consultancy
Shipping Guides Limited * Unit 4, Voltage, Mollison Avenue, Enfield, EN3 7XQ, England, UK	Ordinary	100%	Dormant

Notes to the financial statements

for the year ended 31 July 2022 (continued)

12. Investments (continued)

Regs4yachts Limited *	Ordinary	100%	Dormant
Unit 4, Voltage, Mollison Avenue, Enfield, EN3 7XQ, England, UK			
OneOcean (Nederland) BV *	Ordinary	100%	Provider of software, charts, navigational data, marine technical publications and marine digital services
Parmentierplein 20, 3088 GN Rotterdam, The Netherlands			
OneOcean Maritime Solutions Pte Ltd *	Ordinary	100%	Provider of software, charts, navigational data, marine technical publications and marine digital services
896 Dunearn Road, #03-05, Singapore 589472			
OneOcean (Norway) AS *	Ordinary	100%	Provider of safety and quality management software to the marine industry
Tullins Gate 2, 0177, Oslo, Norway			
OneOcean (Malaysia) Sdn Bhd *	Ordinary	100%	Provider of safety and quality management software to the marine industry
Damansara Intan, Unit 736, 7th Floor, Block A, No. 1, Jalan SS20/27, 47400 Petaling Jaya Selangor, Malaysia			
OneOcean AB *	Ordinary	100%	Provider of environmental regulation software to the marine industry
Vallenvägen 9, 444 60 Stora Höga, Sweden			
OneOcean (Canada) Inc *	Ordinary	100%	Provider of software, marine regulation and compliance data and marine consultancy
1600-555 boul. René-Lévesque ouest, Montréal Québec H2Z1B1, Canada			
11146726 Canada Inc. *	Ordinary	100%	Developer of software, marine regulation and compliance data
1600-555 boul. René-Lévesque ouest, Montréal Québec H2Z1B1, Canada			
Marine Press Asia Pacific Pte Ltd *	Ordinary	100%	Provider of software, marine regulation and compliance data and marine consultancy
8 Eu Tong Sen Street, #14-94, The Central, Singapore 059818			
OneOcean KK *	Ordinary	100%	Provider of software, marine regulation and compliance data and marine consultancy
1-1-1 Ebisu Minami, Shibuya-ku, Tokyo 150-0022, Japan			
OneOcean Group Limited (Greece) *	Ordinary	100%	Provider of software, marine regulation and compliance data and marine consultancy
26, Skouze str., (2nd floor) 185 36 Piraeus, Greece			

* Undertakings held indirectly by the Company

Regs4ships Limited (04430411), Ensign Holdco 2 Limited (10172773), Ensign Holdco 3 Limited (10172900) and Ensign Holdco 4 Limited (10173156) have taken advantage of section 479A of the Companies Act 2006 to not require an audit on the basis that they meet the necessary criteria, in particular that Ensign Holdco 1 Limited, their ultimate parent undertaking, has provided a guarantee concerning the debts of Regs4ships Limited, Ensign Holdco 2 Limited, Ensign Holdco 3 Limited and Ensign Holdco 4 Limited in the form prescribed by section 479C of this guarantee. These guarantees, together with a notice from the members agreeing to claim the exemption, has been filed at Companies House along with these Financial Statements for Ensign Holdco 1 Limited (10172727).

Notes to the financial statements

for the year ended 31 July 2022 (continued)

12. Investments (continued)

Shipping Guides Limited (00907386) and Regs4yachts Limited (04485715) have taken advantage of the Companies Act 2006 Section 394A exemption from preparing individual accounts. These subsidiaries are exempt from the requirement to prepare individual accounts by virtue of this section.

All subsidiary companies have been included in the consolidated Financial Statements of the Group.

13. Stocks

<i>Group</i>	2022	2021
	£000	£000
Finished goods	1,547	2,304

There are no material differences between the balance sheet value of stocks and their replacement value. £131,000 (2021: £17,000 expense) of stock has been recognised as an expense and £11,000 (2021: £50,000) recognised in cost of sales as impairment loss.

14. Debtors: amounts falling due within one year

<i>Group</i>	2022	Restated 2021
	£000	£000
Trade debtors	12,729	11,317
VAT receivable	518	-
Prepayments and accrued income	2,487	1,762
Other debtors	1,122	1,321
Corporation tax	465	-
	17,321	14,400

A misclassification of amounts presented in 2021 has been identified. Consequently 2021 balances have been restated by £1,606,000 for a reclassification between prepayments and accrued income and deferred income. There is no impact to Net Assets or Net Profits.

<i>Company</i>	2022	2021
	£000	£000
Amounts owed by fellow wholly owned subsidiaries *	12	12
	12	12

* Payable on demand, 0% interest.

15. Creditors: amounts falling due within one year

<i>Group</i>	2022	Restated 2021
	£000	£000
Trade creditors	(10,464)	(7,704)
Other creditors	(267)	(227)
Corporation tax	-	(419)
VAT payable	-	(30)
Other taxes and social security	(871)	(1,294)
Accruals	(13,170)	(2,713)
Deferred income	(13,586)	(10,114)
Deferred tax	(589)	(562)
Bank loan interest	(874)	(699)
	(39,821)	(23,502)

Notes to the financial statements

for the year ended 31 July 2022 (continued)

15. Creditors: amounts falling due within one year (continued)

A misclassification of amounts presented in 2021 has been identified. Consequently 2021 balances have been restated by £1,606,000 for a reclassification between prepayments and accrued income and deferred income. There is no impact to Net Assets or Net Profits.

	2022	2021
	£000	£000
Deferred tax liability	(562)	(295)
Balance brought forward	-	(93)
Adjustment to prior year opening balance	(27)	(174)
Deferred tax charged to the profit and loss account (Note 9(a))	(589)	(562)

	2022	2021
	£000	£000
Fixed asset timing differences	(561)	(595)
Short term timing differences	(28)	33
Balance carried forward	(589)	(562)

Deferred tax liabilities

Payable within 12 months	(589)	(562)
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A deferred tax liability has been recognised in the year as it is sufficiently probable that this will be utilised by the Group's trading entities in the future.

Company	2022	2021
	£000	£000
Accruals	(12,621)	-
	(12,621)	-

16. Creditors: amounts falling due after more than one year

Group	2022	2021
	£000	£000
Bank loans and other borrowings	(102,741)	(96,065)

17. Bank loans and other borrowings

Group	2022	2021
	£000	£000
Bank loans and other borrowings measured at undiscounted amount payable:		
Bank loan	(44,957)	(43,468)
Loan notes	(57,784)	(52,597)
	(102,741)	(96,065)
Repayments	2022	2021
	£000	£000
Amounts repayable other than by instalment:		
After one year and within 5 years	(102,741)	-
Greater than 5 years	-	(96,065)

Notes to the financial statements

for the year ended 31 July 2022 (continued)

17. Bank loans and other borrowings (continued)

The OneOcean Group is funded by a combination of 7-year unitranche bank loan with Pemberton Capital Advisors LLP plus a £3m multi-currency revolving credit facility with HSBC held by Ensign Holdco 4 Limited, as well as loan notes held by Ensign Holdco 2 Limited.

The bank loan taken out on 31 October 2020 was a 7-year unitranche term loan with Pemberton Capital Advisors LLP. Interest is accrued at SONIA plus a margin of 6.25% cash paid, with interest payable 6-monthly. The bank loan was provided as a single Sterling tranche with part being redenominated into US Dollars (A1 and A2). The loan is summarised below.

Tranche	Balance at 31 July 2022	Currency	Ultimate maturity	Interest basis
A1	£10,938,000	Pound Sterling	30 October 2026	LIBOR + 6.25%
A2	£31,770,000	US Dollars	30 October 2026	LIBOR + 6.25%

Companies within the OneOcean Group that are obligors to Ensign Holdco 4 Limited's borrowing agreements guarantee the interest payable and capital repayments on the loans via a charge on the Group's assets.

The Group has one class of loan note instrument in issue at the balance sheet date. The 10-year loan notes were issued as part of the acquisition of the OneOcean Group by funds managed by Equistone Partners Europe Limited in June 2016.

The principal outstanding on the loan notes at 31 July 2022 was £33,470,000. £32,797,000 provided by Equistone Partners Europe Limited and £673,000 by Management. Interest in favour of these parties has been accruing at a rate of 10.0% p.a. Interest compounds annually on 31 May. The loan note was listed on the International Stock Exchange. It was delisted on 31 August 2023.

18. Called-up share capital

Group and Company

	No.	2022 £000	No.	2021 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £0.01 each	84,187	1	84,187	1
Ordinary shares of £0.10 each	15,813	1	15,813	1
	100,000	2	100,000	2

The Company has one class of ordinary shares which carry no right to fixed income.

Notes to the financial statements

for the year ended 31 July 2022 (continued)

19. Note to the statement of cash flows

Reconciliation of operating profit to net cash inflow from operating activities

	2022	Restated 2021
	£000	£000
Group operating loss	(11,566)	(1,347)
Amortisation of goodwill and other intangible assets	5,355	5,544
Amortisation of capitalised development costs	2,636	2,211
Depreciation of tangible fixed assets	319	410
Share-based payments	3,326	-
Operating cash flow before movement in working capital	70	6,818
Decrease / (increase) in stocks	757	(80)
Decrease in debtors	(3,832)	(2,471)
Increase in creditors	14,529	525
Cash generated by operations	11,524	4,792
Taxation	(1,119)	(79)
Net cash inflow from operating activities	10,405	4,713

A misclassification of amounts presented in 2021 has been identified. Consequently 2021 balances have been restated by £1,606,000 for a reclassification between debtors and creditors. There is no impact to Net Assets or Net Profits.

20. Pensions

The Group operates a defined contribution scheme for which the cost to the Group for the year amounted to £305,000 (2021: £298,000). The pension creditor amount included in the balance sheet at 31 July 2022 was £39,000 (2021: £41,000).

21. Other financial commitments and guarantees

At 31 July 2022 the Group had no commitments to purchase capital equipment.

At 31 July 2022 the Group had total future minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	2022	2021	2022	2021
	£000	£000	£000	£000
Within one year	431	300	9	8
After one year and within five years	1,431	1,288	12	2
After five years	589	408	-	-
	2,451	1,996	21	10

Notes to the financial statements

for the year ended 31 July 2022 (continued)

22. Related party transactions

Equistone Partners Europe Limited has the right to nominate up to two Directors, and receives annual fees of £50,000 in respect of this service.

Equistone Partners Europe Limited holds loan notes with the Group (see Note 17).

There are no key management personnel other than the directors.

The company has taken advantage of the exemption allowed by FRS 102 section 33 not to disclose any transactions with entities that are included in the consolidated Financial Statements of Ensign Holdco 1 Limited because all of the subsidiaries are wholly owned.

23. Ultimate parent undertaking and controlling party

In the opinion of the directors, the majority shareholder and ultimate controlling party as at 31 July 2022 was funds managed by Equistone Partners Europe Limited. Equistone Partners Europe Limited is registered in England and Wales.

As at 31 July 2022, Ensign Holdco 1 Limited was the smallest and largest group in which the Company is a member for which Group Financial Statements are prepared.

Following the acquisition of OneOcean Group by Lloyd's Register Group and as at the date of signing of these accounts, the directors consider that the immediate parent undertaking is Lloyd's Register Group Limited and that the ultimate controlling party is Lloyd's Register Foundation.

24. Post balance sheet events

On 31 August 2022, Lloyd's Register Group Limited acquired 100% of the OneOcean Group.

On 31 March 2023, OneOcean Group Limited acquired 50% interest in ISF Watchkeeper.