

3T Energy Subco Limited

Annual Report and Financial Statements For the year ended 31 December 2020

Registration number: 10908450

3T Energy Subco Limited

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3T Energy Subco Limited

Company Information

Directors	M Somerville
	G D Sword
	K N Franklin
	P M M Sinclair
Registered office	Hurn View House
	5 Aviation Park West
	Bournemouth International Airport
	Hurn
	Dorset
Auditors	BH23 6EW
	BDO LLP
	Arcadia House
	Maritime Walk
	Ocean Village
	Southampton
	SO14 3TL

3T Energy Subco Limited

Strategic Report

For the year ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

Principal activity

The principal activity of the company is that of an intermediate holding company.

Fair review of the business

We aim to present a balanced and comprehensive review of the development and performance of the business during the period and at the period end. Our review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties faced.

The company's key financial and other performance indicators during the period were as follows:

	Unit	31 December 2020	31 December 2019
Loss before tax	£	(16,509,954)	(75,061)
Net assets	£	987,582	496,851

Principal risks and uncertainties

The business' principal financial instrument is an intercompany loan received from another company within the group.

Future developments

The principal activity of the company will remain that of an intermediate holding company. The directors shall continue to monitor the value of the investment and ensure that the value of these investments is maintained.

Going concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the group is able to meet all its liabilities as they fall due including a detailed going concern stress test for 3T Energy Subco Limited. In addition, as part of the acquisition of Petrofac's UK training, the Group has negotiated an extension to its funding to 2023.

Having completed this, the directors are confident that the group can continue as a going concern for a period of at least 12 months from the date of approval of the financial statements.

Streamlined Energy and Carbon Reporting (SECR)

The 2018 Regulations introduced requirements under Part 15 of the Companies Act 2006 for large unquoted companies to disclose their annual energy use and greenhouse gas emissions, and related information. However, the Group has applied the option permitted to exclude any energy and carbon information relating to its subsidiaries as they qualify as a medium-sized entity and this applies to all subsidiaries within the Group. Therefore, it is not required to make the detailed disclosures of energy and carbon information.

3T Energy Subco Limited

Strategic Report (continued)

Section 172 of the Companies Act 2006

The directors of the company consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to the following matters of Section 172 of the Companies Act 2006:

- the likely consequences of any decision in the long term,
- 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 the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

This process will help to further enhance the corporate governance principles in the business and allow further engagement with its customers, suppliers and employees. Throughout 2021, the Board will continue to review and challenge how the company can improve engagement with its employees and stakeholders.

Health & Safety

The Directors ensure safety is ingrained in every area of our business and adopted by all of our staff as a key component of our day-to-day activities recognising that successful health, safety, quality and environmental management is fundamental to our business and we are committed to continual improvement in all areas of our business activities.

The Directors recognises that its employees represent its greatest asset and ensuring the balance between the business needs with a full commitment to ensuring that the health, safety and welfare of its employees are met.

Quality

Customer satisfaction can only be achieved by supplying a service and product that totally meets, or wherever possible exceeds, the customers' requirements and expectations.

To ensure this, the Group has successfully implemented a fully integrated management system (IMS) which is certified by BSI to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards. The Group recently obtained certification for ISO 27001:2018.

3T Energy Subco Limited

Strategic Report (continued)

Post balance sheet events

Since the balance sheet date the global impact of COVID-19 continues although many geographies are opening up further and the global roll out of vaccines continues at pace where the UK is one of the leading countries. The situation remains fluid and the further impact on the global economy, on capital markets and on individual businesses remains uncertain.

On 1 April 2021, the Group, through its subsidiary Survivex Limited, completed the acquisition of Petrofac's UK training business. This is a landmark acquisition for the Group which consolidates its position as number 1 in the UK market as well as giving new capabilities such as marine training through a new site in Aberdeen. The acquisition was partly funded through an extension to its bank facilities and as part of the extension, the term of the facility has also been extended to April 2023.

The amounts stated in these financial statements reflect conditions existing as at the balance sheet date. The Group has a strong balance sheet and significant liquid assets. The Directors' view on the Group going concern has been disclosed in the strategic report and note 2 of the financial statements.

Approved by the Board on 7th May 2021 and signed on its behalf by:



P Sinclair
Director

3T Energy Subco Limited

Directors' Report

For the year ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors of the company

The directors who held office during the period were as follows:

M Somerville

G D Sword

K N Franklin

P M M Sinclair

Directors' indemnities

The Directors of the company are indemnified by the wider group policy held in the name of the parent company, 3T Energy Group Limited.

Results and dividends

The loss for the year amounted to £16,509,954 (31 December 2019 - £75,061). No dividend was declared or paid during the year (31 December 2019 - £nil).

Political contributions

The company made no political donations or incurred any political expenditure during the year (31 December 2019 - £nil).

Disclosure of information to the auditor

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

- So far as each director is aware, there is no relevant audit information of which the company's auditor is not aware; and
- Each director has taken all the steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

3T Energy Subco Limited

Directors' Report

For the year ended 31 December 2019 – continued

Other matters

In accordance with section 414C(11) of the Companies Act 2006, information regarding financial risk management, objectives and policies, going concern, information on exposure to price risk, credit risk, liquidity risk and cashflow risks and future developments has been disclosed in the Strategic Report.

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all of the directors of 3T Energy Subco Limited.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Auditor

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

Approved by the Board on 7th May 2021 and signed on its behalf by:



P Sinclair
Director

3T Energy Subco Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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;
- 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.

Independent auditor's report to the members of 3T Energy Subco Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of 3T Energy Subco Limited for the year ended 31 December 2020 which comprise the Profit and Loss Account, Statement of Comprehensive Income, Company Balance Sheet, Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 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 directors are responsible for the other information. The other information comprises the information included in the Directors report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of 3T Energy Subco Limited - continued

Other Companies Act 2006 reporting

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 material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

Independent auditor's report to the members of 3T Energy Subco Limited - continued

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

Based on our understanding of the Group, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override, and considered that the principal risk were related to the posting of inappropriate journal entries to improve the result before tax for the year.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

Procedures performed by the group audit team included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations; and
- Assessing journals entries as part of our planned audit approach. Evaluation of management incentives and opportunities for fraudulent manipulation of the financial statements including management override, and considering that the principal risk were related to the posting of inappropriate journal entries to improve the result before tax for the year.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Newman (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton, UK

Date: 7 May 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

3T Energy Subco Limited

Profit and Loss Account and Other Comprehensive Income Statement for the year ended 31 December 2020

		Year ended 31 December 2020 £	Year ended 31 December 2019 £
	Note		
Revenue		-	-
Administrative expenses		(6,116)	(15,065)
Impairment	10	<u>(16,503,838)</u>	<u>-</u>
Operating loss		(16,509,954)	(15,065)
Interest receivable and similar income	3	6,428,832	6,551,447
Interest payable and similar charges	4	<u>(6,562,776)</u>	<u>(6,611,441)</u>
Loss before tax		(16,643,897)	(75,061)
Taxation	8	<u>-</u>	<u>-</u>
Loss for the financial year		<u><u>(16,643,897)</u></u>	<u><u>(75,061)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year ended 31 December 2020 (31 December 2019 - £nil) other than the results above so has not prepared a Statement of Comprehensive Income.

The notes on pages 14 to 24 form part of these financial statements.

3T Energy Subco Limited

Balance Sheet

At 31 December 2020

	Note	31 December 2020 £	31 December 2019 £
Fixed assets			
Investments	9	525,000	525,000
Current assets			
Debtors (more than one year: £88,804,854 – (2019 - £81,703,378))	10	71,977,250	81,969,060
Cash at bank and in hand		69	70
		<u>71,977,319</u>	<u>81,969,130</u>
Creditors: Amounts falling due within one year	11	<u>(148,674)</u>	<u>(140,584)</u>
Net current assets		<u>71,828,645</u>	<u>81,828,546</u>
Total assets less current liabilities		72,353,645	82,353,546
Creditors: Amounts falling due after more than one year	11	<u>(88,500,691)</u>	<u>(81,856,695)</u>
Net (liabilities)/assets		<u>(16,147,046)</u>	<u>496,851</u>
Capital and reserves			
Called up share capital	12	612,214	612,214
Profit and loss account		<u>(16,759,260)</u>	<u>(115,363)</u>
Shareholders' funds		<u>(16,147,046)</u>	<u>496,851</u>

Approved and authorised by the Board on 7th May 2021 and signed on its behalf by:



P Sinclair
Director

Company Registration Number: 10908450

The notes on pages 14 to 24 form part of these financial statements.

3T Energy Subco Limited

Statement of Changes in Equity

For the year ended 31 December 2020

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2020	612,214	(115,363)	496,851
Loss for the year	<u>-</u>	<u>(16,643,897)</u>	<u>(16,643,897)</u>
At 31 December 2020	<u>612,214</u>	<u>(16,759,260)</u>	<u>(16,147,046)</u>

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2019	612,214	(40,302)	571,912
Loss for the year	<u>-</u>	<u>(75,061)</u>	<u>(75,061)</u>
At 31 December 2019	<u>612,214</u>	<u>(115,363)</u>	<u>496,851</u>

The notes on pages 14 to 24 form part of these financial statements.

3T Energy Subco Limited

Notes to the Financial Statements

For the year ended 31 December 2020

1 General information

3T Energy Subco Limited ("the Company") is a private company limited by share capital and incorporated and domiciled in the UK. The company was incorporated on the 10 August 2017 under the Companies Act 2006.

The address of its registered office can be found on the information page and the nature of the company's operations and its principal activity are set out in the director's report.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"). The presentation currency of these financial statements is in Sterling.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The company have applied FRS 102 (March 2018) in these financial statements, which includes the amendments as a result of the Triennial Review 2017. The December 2017 amendments to FRS 102 are mandatory for accounting years beginning on or after 1 January 2019, but may be applied early. The Directors took the option to apply the amendments to FRS102 early in the preparation of the prior year financial statements for the year ended 31 December 2019.

Summary of disclosure exemptions

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

3T Energy Subco Limited

Notes to the Financial Statements - continued

2 Accounting policies - continued

Summary of disclosure exemptions - continued

As the consolidated financial statements of 3T Energy Group Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Name of parent of group

These financial statements are consolidated in the financial statements of 3T Energy Group Limited.

The financial statements of 3T Energy Group Limited may be obtained from Hurn View House, 5 Aviation Park West, Bournemouth International Airport, Hurn, Christchurch, Dorset, BH23 6EW.

Going concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the group is able to meet all its liabilities as they fall due including a detailed going concern stress test for 3T Energy Subco Limited. In addition, as part of the acquisition of Petrofac's UK training business which completed on 1 April 2021, the Group has negotiated an extension to its funding to 2023.

The directors have produced a detailed going concern stress test for 3T Energy Subco Limited. The conclusion of our stress test for the Group is that the business could sustain the loss of more than £11.1m (24.2%) of turnover versus our previous projections over the course of the 12 months following the date of the financial statements, without breaching covenants related to the group's current banking facilities. In the event that such a loss of turnover materialises, the group may need to secure waivers to certain covenants or obtain extra funding from shareholders.

Having completed this the directors are confident of being able to trade for a year of at least 12 months from the approval of the financial statements.

3T Energy Subco Limited

Notes to the Financial Statements – continued

2 Accounting policies - continued

Exemption from preparing group accounts

The financial statements contain information about 3T Energy Subco Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, 3T Energy Group Limited, a company incorporated in England and Wales.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

3T Energy Subco Limited

Notes to the Financial Statements - continued

2 Accounting policies - continued

Tax – continued

Deferred corporation tax is recognised on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred corporation tax is determined using tax rates and laws that have been enacted or substantively enacted by a reporting date. The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amounts equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Investments in subsidiaries

Investments in subsidiary undertakings are stated at cost less provision for impairment in value arising from an annual review.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Other debtors

Other debtors are amounts due from group undertakings.

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price plus attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

3T Energy Subco Limited

Notes to the Financial Statements - continued

2 Accounting policies - continued

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Judgements in applying accounting policies and key sources of estimation

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made are noted below:

Recoverability of amounts due from group undertakings – Management review the intergroup balances periodically and determine whether there are indicators of impairment of fixed asset investments and amounts owed by group undertakings. Factors taken into consideration in reaching such decision include economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

3 Interest receivable and similar income

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Interest receivable on loans owed by group undertakings	182,055	227,370
Interest receivable on loan notes owed by group undertakings	<u>6,246,778</u>	<u>6,324,077</u>
	<u>6,428,832</u>	<u>6,551,447</u>

3T Energy Subco Limited

Notes to the Financial Statements – continued

4 Interest payable and similar charges

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Interest payable on loans owed to group undertakings	-	6,172
Interest payable on loan notes	6,562,776	6,605,269
	<u>6,562,776</u>	<u>6,611,441</u>

5 Staff numbers

The average number of persons employed by the company (including directors) during the year was nil (2019 – Nil).

6 Directors remuneration

The directors received no remuneration from the company during the year or previous period and are paid by other group undertakings. The directors did not receive remuneration for their services to the company as the services provided to the company are incidental to their wider role in the group.

7 Auditor's remuneration

The auditor's remuneration has been paid by Transforming Training with Technology Limited in both the current year and previous period so there is no charge to this company.

8 Taxation

Tax charge in the profit and loss account

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Current taxation		
UK corporation tax	-	-
Tax charge in the profit and loss account	-	-

The tax on profit before tax for the year is higher than (31 December 2019: higher than) the standard rate of corporation tax in the UK of 19%.

3T Energy Subco Limited

Notes to the Financial Statements – continued

8 Taxation – continued

The differences are reconciled below:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Profit/(Loss) before tax	<u>(16,643,897)</u>	<u>(75,061)</u>
Corporation tax at standard rate at 19%	(3,162,340)	(14,262)
Effect of expense not deductible in determining tax loss	<u>3,162,340</u>	<u>14,262</u>
Total tax charge	<u>-</u>	<u>-</u>

In the Spring Budget 2021, the Government announced that from April 2023, the main rate of corporation tax will increase to 25%. As this new law has not been substantively enacted at the balance sheet date, its effects are not included in the financial statements.

Deferred tax balances at 31 December 2020 have been re-measured to 19% (2019: 17%), being the rate substantively enacted at the balance sheet date.

9 Investments in subsidiaries

	31 December 2020 £	31 December 2019 £
Cost or valuation		
Brought forward	525,000	525,000
Additions	<u>-</u>	<u>-</u>
Carrying amount	<u>525,000</u>	<u>525,000</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

3T Energy Subco Limited

Notes to the Financial Statements – continued

9 Investments in subsidiaries - continued

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
Transforming Training with Technology Limited	UK	Ordinary	100%	100%

The registered addresses for the subsidiary undertakings are as follows:

Hurn View House, 5 Aviation Park West, Bournemouth International Airport, Hurn, Dorset, BH23 6EW.

The principal activity of Transforming Training with Technology Limited is a holding company.

10 Debtors

	31 December 2020 £	31 December 2019 £
Less than one year:		
Amounts owed by group undertakings	283,039	263,282
Prepayments and other debtors	23,985	2,400
	<u>307,024</u>	<u>265,682</u>
More than one year		
Loan notes owed by group undertakings	<u>71,977,250</u>	<u>81,703,378</u>
	<u>72,284,274</u>	<u>81,703,378</u>

The intercompany loan notes held as at 31 December 2019 and 2020 are held in DS Midco 1 Limited and Transforming Training with Technology Limited. The notes are repayable on 31 March 2024 and carry an interest rate of 8% per annum. Interest is calculated in arrears up to 31 March and is receivable on 31 March each year by way of payment in kind notes. The amount on interest accrued as at 31 December 2020 on these notes amount to £4,783,656 (31 December 2019 – £4,480,058).

An impairment charge of £16,503,838 was made against intercompany loan notes due as at 31 December 2020 (2019: £Nil).

3T Energy Subco Limited

Notes to the Financial Statements - continued

11 Creditors

	31 December 2020 £	31 December 2019 £
Due within one year		
Trade creditors	-	7,220
Amounts owed to group undertakings	148,674	133,363
	<u>148,674</u>	<u>140,584</u>
Due after one year		
Loan notes	83,408,295	80,554,332
Accruals	5,021,396	1,224,755
Amounts owed to group undertakings	71,000	77,608
	<u>88,500,691</u>	<u>81,856,695</u>

The shareholder loan notes held as at 31 December 2019 and 2020 are held in majority by Drilling Systems Guernsey Limited. The notes are repayable on 31 March 2024 and carry an interest rate of 8% per annum. Interest is calculated in arrears up to 31 March and is payable on 31 March each year by way of payment in kind notes. The amount on interest accrued as at 31 December 2020 on these notes amount to £5,021,396 (31 December 2019: £1,224,755).

All amounts due after one year are payable in 2-5 years.

12 Share capital

Allotted, called up and fully paid shares

	31 December 2020		31 December 2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>612,214</u>	<u>612,214</u>	<u>612,214</u>	<u>612,214</u>

On incorporation, the Company issued 1 Ordinary share at £1.00 per share. On 20 October 2017 a further 612,213 Ordinary shares were issued at £1 per share.

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

- The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

3T Energy Subco Limited

Notes to the Financial Statements – continued

13 Reserves

The Company's capital and reserves are as follows:

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

14 Related party transactions

The company has taken advantage of the exemptions conferred by section 33.1A of FRS 102 from disclosing transactions with other members of the group, as consolidated accounts are publicly available.

During the year, loan notes of £Nil (31 December 2019: £91,040) were issued by 3T Energy Subco Limited to directors of the company. The loan notes are repayable on 31 March 2024 and carry an interest rate of 8% per annum. Interest is calculated in arrears up to 31 March and is payable on 31 March each year by way of payment in kind notes. PIK notes of £9,678 (31 December 2019: £9,888) were issued and notes of £Nil (31 December 2019: £17,507) were repaid. At 31 December 2020, the amount owed to directors was £286,110 (31 December 2019: £276,432) and accrued interest was £17,245 (31 December 2019: £4,225).

During the year, loan notes of £39,367 (31 December 2019: £Nil) were issued by 3T Energy Subco Limited to management. The loan notes are repayable on 31 March 2024 and carry an interest rate of 8% per annum. Interest is calculated in arrears up to 31 March and is payable on 31 March each year by way of payment in kind notes. PIK notes of £234,911 (31 December 2019: £528,922) were issued and notes of £Nil (31 December 2019: £359,902) were repaid. At 31 December 2020, the amount owed to management was £6,959,234 (31 December 2019: £6,886,924) and accrued interest was £397,248 (31 December 2019: £101,741).

During the year, loan notes of £nil (31 December 2019: £Nil) were issued by 3T Energy Subco Limited to Drilling Systems Guernsey Limited. The loan notes are repayable on 31 March 2024 and carry an interest rate of 8% per annum. Interest is calculated in arrears up to 31 March and is payable on 31 March each year by way of payment in kind notes. PIK notes of £2,564,343 (31 December 2019: £5,421,585) were issued and notes of £Nil (31 December 2019: £3,829,429) were repaid. At 31 December 2020, the amount owed to Drilling Systems Guernsey Limited was £75,955,408 (31 December 2019: £73,391,066) and accrued interest was £4,578,134 (31 December 2019: £1,116,629).

3T Energy Subco Limited

Notes to the Financial Statements – continued

15 Parent and ultimate parent undertaking and controlling party

The company's immediate parent company is 3T Energy Group Limited, incorporated in England and Wales. The most senior parent entity producing publicly available financial statements is 3T Energy Group Limited. The largest and smallest group in which these accounts are consolidated is that headed by 3T Energy Group Limited.

The company's controlling shareholder is Drilling Systems Guernsey Limited, incorporated in Guernsey, Channel Islands. The registered address for Drilling Systems Guernsey Limited is PO Box 656, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey.

Drilling Systems Guernsey Limited is owned by Blue Water Energy Fund I L.P. and Blue Water Energy Fund I-A L.P. These funds are ultimately controlled by BWE General Partner Limited, incorporated in Guernsey, Channel Islands. The registered address for BWE General Partner Limited is PO Box 656, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey.

16 Post balance sheet events

Since the balance sheet date the global impact of COVID-19 remains although many geographies are opening up further and the global roll out of vaccines continues at pace where the UK is one of the leading countries. The situation remains fluid and the further impact on the global economy, on capital markets and on individual businesses remains uncertain.

On 1 April 2021, the Group, through its subsidiary Survivex Limited, completed the acquisition of Petrofac's UK training business. This is a landmark acquisition for the Group which consolidates its position as number 1 in the UK market as well as giving new capabilities such as marine training through a new site in Aberdeen. The acquisition was partly funded through an extension to the facility with Investec and as part of the extension, the term of the facility has also been extended to April 2023.

The amounts stated in these financial statements reflect conditions existing as at the balance sheet date. The Group has a strong balance sheet and significant liquid assets. The Directors' view on the Group going concern has been disclosed in the strategic report and note 2 of the financial statements.