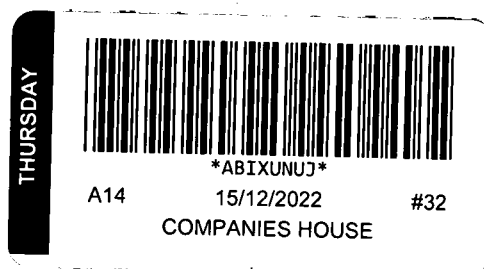


Registered number: 01708481

**GLOBAL MARINE SYSTEMS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**



## **GLOBAL MARINE SYSTEMS LIMITED**

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**GLOBAL MARINE SYSTEMS LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	I D Douglas D H Fagerstal W J Hanenberg Jr. N C Johansen-Allison B J Neilson-Watts D L Rattner
<b>Company secretary</b>	J V Cable
<b>Registered number</b>	01708481
<b>Registered office</b>	Ocean House 1 Winsford Way Boreham Interchange Chelmsford Essex CM2 5PD
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Priory Place New London Road Chelmsford Essex CM2 0PP

## GLOBAL MARINE SYSTEMS LIMITED

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the Strategic Report of Global Marine Systems Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 December 2021.

#### Review of business and future developments

The Group has seen revenue growth to \$292.1m against the prior year of \$245.1m, however 2021 opened against the backdrop of ongoing significant uncertainty in the market as the shockwave of the Covid-19 crisis continued to cascade throughout the whole industry. Lockdowns, increased variability on travel restrictions, a rapidly changing regulatory landscape of Covid-19 testing controls, pressure on the supply chain, remote working impacting team dynamics, were all factors making the delivery of projects and contracts incredibly challenging. These projects faced unprecedented challenges in the landscape of the pandemic; challenges which were experienced across the whole global subsea industry resulting in exceptional costs and delays for our customers, competitors and suppliers.

The Global Marine telecommunications business has remained stable thanks to the ongoing fulfillment of a mixture of long term maintenance and installation agreements.

The new OceaniQ business has performed well and has secured workload into 2022 and beyond. The business delivers route engineering consultancy services and a range of subsea cable data products that leverages off our wealth of knowledge and unique data sets built over many decades by the organisation.

The CWind business has seen revenue growth driven by a number of project wins, which will deliver secured revenue over the next three years.

The Global Offshore business has also seen strong revenue growth, however has been impacted by the delivery of a number of challenging projects.

The operating loss for the financial year was \$23.3m (2020: \$16.4m profit) before exceptional costs relating to Covid of \$43.3m (2020: \$15.3m).

#### Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)

Adjusted EBITDA has been calculated as normalised loss on ordinary activities before interest, tax, depreciation, amortisation and exchange movements. It is measured after adjusting for exceptional and non-recurring items, including gain/loss on disposal of assets and investments.

The adjusted EBITDA for the year was \$19.6m (2020: \$49.3m).

#### Key performance indicators (KPIs)

	2021	2020
<b>Financial KPIs</b>		
Adjusted EBITDA	\$19.6 million	\$49.3 million
Movement in cash and cash equivalents	\$6.5 million	\$2.3 million
<b>Non-financial KPIs</b>		
Lost time injury frequency rate (LTIFR)	1.56	1.65

#### Movement in cash and cash equivalents

In 2021, the cash balance has increased by \$6.5 million (2020: \$2.3 million), the details of which shown in the Consolidated Statement of Cash Flows.

## GLOBAL MARINE SYSTEMS LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

#### Non-financial KPIs

##### Lost time injury frequency rate (LTIFR)

Health and safety is paramount to the Group's business. Not only is it vitally important to provide employees with a safe place to work, but also any accident is disruptive to the running of the business. The Group continually reviews and reports all accidents and injuries and, in order to benchmark its safety performance against other companies in the industry, the Group reports safety statistics as adopted by the International Marine Contractors Association ("IMCA"), of which the Group is a member.

The LTIFR is measured as;

$$\frac{\text{Lost time injuries} \times 1,000,000}{\text{Hours Worked}}$$

Lost time injuries are defined as, "A lost work day case is any work-related accidental injury other than a fatal injury which results in a person being unfit for work on the next shift/day". The LTIFR was 1.56 in 2021 (1.65 in 2020) which remains as one of the key indicators of the Safety Performance System.

#### Principal risks and uncertainties

The principal business risk acknowledged by the Group is the impact of any reduced demand in the global market for subsea related services. However, Global Marine Systems Limited is well positioned in the subsea telecoms market with six of its vessels committed to long term contracts which will offset any potential volatility in the subsea telecoms market.

A number of challenging contracts were completed during the year within the Global Offshore business and, going forward, the Group will reduce the risk profile of major projects that it undertakes.

The directors have worked closely with the shareholders to ensure the best structure moving forward for the Group, along with increasing liquidity by additional investment.

Due to the global nature of trade they have not identified any significant risks other than those noted in the foreign exchange rate risk section of this report.

## **GLOBAL MARINE SYSTEMS LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Financial risk management**

The Group's operations expose it to a variety of financial risks that include foreign exchange rate risk, liquidity risk, credit risk, and interest rate risk. The Group has in place a risk management process that seeks to limit the adverse effects of these risks on the financial performance of the Group.

#### **Foreign exchange rate risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The exposures discussed thereafter relate primarily to the GB pound, the Euro and the Singapore Dollar.

The Group manages these risks in a number of ways but primarily by attempting to match assets and liabilities and income and costs denominated in the relevant foreign currencies. As and when surplus funds are generated in foreign currencies they are sold in the spot market. The Group monitors this risk on a regular basis.

#### **Liquidity Risk**

As with all businesses a key risk to the business is liquidity. The Group maintains medium term debt finance secured on a number of its cable-ships other vessels and submersibles which, together with cash generated from operations, provide sufficient available funds for future expansion and investment.

#### **Credit Risk**

Credit risk is the potential loss arising from any failure by the customers or debtors to fulfil their obligations as and when these obligations fall due. The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. All cash and deposits are placed with reputable "High street" financial institutions. The Group has no significant concentration of credit risk.

#### **Interest Rate Risk**

The Group's exposure to the risk for changes in market interest rates relate primarily to the credit facilities denominated in USD, GBP and EUR. The Group has no significant concentration of interest rate risk. Interest rate risks are monitored regularly for commercial sense and the Group would seek alternative arrangements where necessary.

## **GLOBAL MARINE SYSTEMS LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Directors' statement of compliance with duty to promote the success of the Group**

Section 172 of the Companies Act 2006 requires a Director of a group to act in the way he or she considers, in good faith, would most likely promote the success of the Group for the benefit of its members as a whole. In doing this the directors must have regard to the:

- The likely consequences of any decision in the long term,
- The interests of the Group's employees,
- The need to foster the Group's business relationships with suppliers, customers and others,
- The impact of the Group's operations on the community and the environment,
- The desirability of the Group maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the Group.

In discharging our section 172 duties we have regard to the factors set out above.

We review at regular board meetings the financial and operating performance of the Group (including dedicated attention to health and safety performance). We also review key risks and opportunities including investments in new assets or acquisitions via meetings, presentations, proposals and business cases.

#### ***Our Stakeholders***

The Company's key stakeholders are:

- The Company's ultimate beneficial owner JFL Equity Investors V, L.P.
- Employees.
- Customers across all markets that we operate in: Telecoms, Offshore Renewables and Oil & Gas. These are identified through the existing contracts in place for project work, key account management reviews which take place bi-annually to highlight future target accounts, the use of Membrain as a sales pipeline tool and monitoring quality portals including Achilles which filter through potential tenders for scopes of work.

Other stakeholders are:

- Our contractor/agency workforce including those employed by GMSG offshore.
- Suppliers.
- Strategic partner organisations including joint venture partners and invested partners.
- Government Agencies including the Department for Digital, Culture, Media & Sport, the Department for Business, Energy & Industrial Strategy, the Ministry of Defence and the National Cyber Security Centre.
- Accreditation and health & safety bodies such as Achilles, British Standards Institution (BSI) and Global Wind Organisation (GWO).
- Charitable partners including the Ninos Pag Asa Centre in the Philippines as well as local charities which could include Brainwave and the Jubilee Sailing Trust.
- Communities close to where we work across the world who may be impacted economically or environmentally by our operations.
- STEM organisations and related partners.

#### ***Stakeholder engagement (including employee engagement)***

The Board recognises the important role that Global Marine Group has to play in society and is committed to health and safety, public collaboration and stakeholder engagement. The Board believes that Global Marine Group will only succeed by working with customers, governments, business partners, investors and other stakeholders. Working together is critical, particularly at a time when society, including businesses, governments and consumers, faces issues as complex and challenging as climate change.

## GLOBAL MARINE SYSTEMS LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

#### Directors' statement of compliance with duty to promote the success of the Group (continued)

We engage with our stakeholders via various channels including:

- Our CEO, CFO, Business Unit Managing Directors and Senior Management engage regularly with the ultimate beneficial owner via monthly management information reports and monthly meetings that cover the overall health and aspirations of the business, regular board meetings, as well as specific presentations when exceptional projects arise that require input from them to proceed.
- Customer and site visits to understand ongoing project requirements and future needs of the industries that we work in.
- Formal tendering processes via electronic portals or directly with customers.
- Direct contact with counterparts in customer organisations throughout the project lifecycle.
- Networking with the wider industry through memberships to industry bodies and engagement with events, working groups studies and board meetings for these.
- Sharing of information via digital channels including the Company websites and social media accounts.
- Two-way internal communication across our employee base including regular newsletters, ask me anything sessions, presentations, discussion forums, video conferencing, working groups, internal social media, questionnaires and other feedback opportunities.

#### **Principal decisions**

We define principal decisions taken by the Board as those decisions that are of a strategic nature and that are significant to any of our key stakeholder groups.

An example of principal decisions for Global Marine Group is as follows:

- Full strategic review, in conjunction with shareholders, to review all operations and focus on those markets in which the Group can excel.

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



**I D Douglas**  
Director

Date: 28/9/2022

## **GLOBAL MARINE SYSTEMS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their annual report and the audited consolidated financial statements of Global Marine Systems Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 December 2021.

#### **Principal activities**

The Group's principal subsidiary, Global Marine Systems Limited ("GMSL") is a leading provider of engineering and underwater services, responding to the subsea cable installation, maintenance and burial requirements of its customers around the world. With a fleet of vessels and specialised subsea trenching and burial equipment, the Group brings a 160 year legacy in deep and shallow water operations. GMSL's subsidiary CWind Limited ("CWind") supplies services, technical resource and vessels for the construction and maintenance of offshore wind farms.

Global Marine Holdings Limited ("GMHL"), its subsidiaries and other investments (together "the Group") offers cost effective solutions with consistently high service and quality standards to all of its customers in the markets in which it operates. The Group is headquartered in the United Kingdom, with resources throughout Europe, Asia Pacific and the Americas.

#### **Results and dividends**

The operating loss for the financial year was \$23.3m (2020: \$16.4m profit) before exceptional costs relating to Covid of \$43.3m (2020: \$15.3m).

Interim dividends of \$Nil were recommended and paid in the financial year (2020: \$150.9m).

The directors do not recommend a final dividend.

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

M J Daniel (resigned 20 September 2021)  
I D Douglas  
D H Fagerstal  
W J Hanenberg Jr.  
N C Johansen-Allison  
B J Neilson-Watts  
D L Rattner  
J J Taylor (resigned 31 January 2022)  
M A Gillespie (appointed 20 September 2021, resigned 13 May 2022)

## **GLOBAL MARINE SYSTEMS LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Going concern**

The directors have reviewed the historical trading performance of the Group and its revenue and cash flow projections for the 12 months following the date of signing of the financial statements. The directors are confident that the Group, with support of its shareholders, has adequate resources to meet the requirements of the business for the foreseeable future, and have therefore prepared these consolidated financial statements on a going concern basis.

The impact of the pandemic continued to influence the 2021 results, as well as a number of challenging projects. To further support the ongoing liquidity needs of the Group, J.F. Lehman & Company ("JFLCO"), contributed \$26.5m during the year and \$34.0m post year end in the form of shareholder loans. In addition, the banking facilities were successfully renegotiated in 2022 to provide further covenant headroom, combined with contingent shareholder funding if required.

The directors note that there is provision within the banking facilities agreement for the majority shareholder to be able to cure a breach of covenant, should this occur, and have obtained assurances that the majority shareholder intends to remain fully supportive of the business, to participate in a funding solution in the event that one is required and currently has access to sufficient undrawn commitments in order to do so.

#### **Quality systems and environment responsibilities**

The Group continues to demonstrate its commitment to quality management and the environment by gaining recertification to OHSAS18001 in 2017 and ISO9001 and ISO14001 in 2015. We also retained the RoSPA Order of Distinction for the 20th consecutive year.

#### **Research and development activities**

Technical development is an important part of upgrading and improving techniques for cable laying, cable jointing, cable protection and most recently the efficient transmission of Subsea telecommunication data. The Group remains committed to these principles in all that it does and is continually developing new technology in-house and with its partners.

#### **Business review**

A review of the business and a summary of the Group's principal activities, risks and uncertainties are set out in the Strategic Report on pages 2 to 6 of these financial statements.

#### **Future developments**

The future developments are set out in the Strategic Report on pages 2 to 6 of these financial statements.

#### **Financial risk management**

Financial risk management is set out in the Strategic Report on pages 2 to 6 of these financial statements.

#### **Stakeholder engagement**

Stakeholder engagement is set out in the Strategic Report on pages 2 to 6 of these financial statements.

## **GLOBAL MARINE SYSTEMS LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Employees**

The Group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status.

Applications for employment by disabled persons are always considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

The Group is also committed to providing employees with information on matters of concern to them on a regular basis, so that the views of employees can be taken into account when making decisions that are likely to affect their interests. The Group encourages the involvement of employees by means of regular updates issued by the board on key company issues, financial information and other statistics. Quarterly surveys are also coordinated by the Group to obtain employee feedback on issues within the Group.

#### **Directors' indemnities**

Qualifying third party indemnity provisions (as defined by Section 236 Companies Act 2006) for the benefit of the directors were maintained throughout the year and remain in force as at the date of approving the Directors' Report.

#### **Streamlined Energy and Carbon Reporting (SECR)**

##### ***Inventory Summary***

This inventory has been prepared in accordance with the requirements of the measure-step of the Toitu carbon marks, which is based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and ISO 14064-1:2018 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals. Where relevant, the inventory is aligned with industry or sector best practice for emissions measurement and reporting.

GHG emissions and energy use for period 1 January 2021 to 31 December 2021 and comparative year from 1 January 2020 to 31 December 2020.

## GLOBAL MARINE SYSTEMS LIMITED

DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Current reporting year 01 January 2021 to 31 December 2021	Prior reporting year 01 January 2020 to 31 December 2020
Energy consumption used to calculate emissions (kWh)	14,793,281.72	260,108.85
Gas (kWh)	355,623.82	Not reported
Electricity (kWh)	14,437,657.90	Not reported
Transport fuels (kWh)	N/A	Not reported
Other energy sources (Scope 1 & 2) kWh	N/A	Not reported
Emissions from combustion of gas tCO <sub>2</sub> e (Scope 1)	65.14	Not reported
Emissions from combustion of fuel for transport purposes tCO <sub>2</sub> e (Scope 1)	N/A	Not reported
Emissions from business travel in rental cars or employee-owned vehicles where Company is responsible for purchasing of the fuel tCO <sub>2</sub> e (Scope 3)	N/A	Not reported
Emissions from purchased electricity tCO <sub>2</sub> e (Scope 2, location-based)	3,065.55	Not reported
Total gross emissions tCO <sub>2</sub> e based on the above	3,130.69	Not reported
Total gross emissions from above by unit turnover/revenue (tCO <sub>2</sub> e/£M)	10.72	Not reported
Methodology	ISO14064 Part 1 2018 and Carbon Reduce	ISO14064 Part 1 2018 and Carbon Reduce
Emissions from other activities which the Company owns or controls including operation of facilities tCO <sub>2</sub> e (Scope 1)	93,150.18	90,852.62
Emissions from heat, steam and cooling purchased for own use tCO <sub>2</sub> e (Scope 2)	719.04	1,133.62
Emissions from other activities tCO <sub>2</sub> e (Scope 3): Waste	175.52	Not reported
Emissions from other activities tCO <sub>2</sub> e (Scope 3): Water & Wastewater	0.31	Not reported
Emissions from other activities tCO <sub>2</sub> e (Scope 3): Transport - other	5,832.23	Not reported
Emissions from other activities tCO <sub>2</sub> e (Scope 3): Electricity	40.99	Not reported
Total other emissions tCO <sub>2</sub> e	99,918.27	91,986.25
Total gross Scope 1, Scope 2 & Scope 3 emissions tCO <sub>2</sub> e	103,048.95	Not reported
Total gross GHG emissions per unit turnover/revenue (tCO <sub>2</sub> e/£M)	352.84	Not reported
Third Party verification	Verified to ISO14064 Part 1 2018 and Carbon Reduce	Verified to ISO14064 Part 1 2018 and Carbon Reduce

## **GLOBAL MARINE SYSTEMS LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Streamlined Energy and Carbon Reporting (SECR) (continued)**

<sup>1</sup>Toitu carbon marks refers to the the Toitu carbonreduce and Toitu carbonzero programmes

<sup>2</sup>Throughout this document 'GHG Protocol' means the GHG Protocol Corporate Accounting and Reporting Standard and 'ISO 14064-1:2006' means the international standard Specification with Guidance at the Organisational Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals

#### ***Energy Efficiency Action***

1. Developed electric/fuel oil hybrid SES Crew Transfer Vessel for CWind fleet. Upon successful trial, we are looking to build a further four vessels in the coming three years.
2. Reviewing greener fuel options for marine fleet.
3. Replacing all fluorescent lighting for LED lighting in all UK offices.
4. We are reducing employee commute by providing flexible remote working for all.
5. We are exploring longer commission lengths for seafarers to reduce air travel throughout the year.

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing the 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 United Kingdom Accounting Standards, comprising FRS 102, 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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to auditor**

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

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

**GLOBAL MARINE SYSTEMS LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Independent auditor**

The auditor, Grant Thornton UK LLP, will be proposed for appointment in accordance with section 485 of the Companies Act 2006.

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

*Ian Douglas*

**I D Douglas**  
Director

Date: 28/9/2022

## **GLOBAL MARINE SYSTEMS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL MARINE SYSTEMS LIMITED**

#### **Qualified opinion**

We have audited the financial statements of Global Marine Systems Limited (the "Parent Company") and its subsidiaries (the "Group") for the year to 31 December 2021, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for qualified opinion**

The Company's investment in Sino-British Submarine Systems Co., Ltd, a foreign associate accounted for by the equity accounting method, is carried at \$39.2m on the Consolidated Balance Sheet as at 31 December 2021, and the Group's share of Sino-British Submarine Systems Co., Ltd's net income of \$2.1m is included in the Consolidated Statement of Comprehensive Income for the year then ended. We received group reporting confirmations and discussed the findings with the component auditor, however we were not permitted access to review and evaluate the audit working papers of the component auditor of Sino-British Submarine Systems Co., Ltd as required by ISA (UK) 600 paragraph 42.1, and consequently we were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Group's investment in Sino-British Submarine Systems Co., Ltd as at 31 December 2021, the Group's share of Sino-British Submarine Systems Co., Ltd's net income for the year then ended and the Group's profit and loss account reserve at that date. Our opinion on the financial statements for the year ended 31 December 2020 was also qualified in respect of the same matter. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

The Company's investment in International Cables Pte Ltd, a foreign joint venture accounted for by the equity accounting method, is carried at \$6.6m on the Consolidated Balance Sheet as at 31 December 2021 (2020: \$4.9m), and the Group's share of International Cables Pte Ltd's net income of \$3.2m (2020: \$1.5m) is included in the Consolidated Statement of Comprehensive Income for the year then ended. We did not receive group reporting confirmations from the component auditor of International Cables Pte Ltd and therefore we were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Group's investment in International Cables Pte Ltd as at 31 December 2021, the Group's share of International Cables Pte Ltd's net income for the year then ended and the Group's profit and loss account reserve at that date. Our opinion on the financial statements for the year ended 31 December 2020 was also qualified in respect of the same matter. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

## **GLOBAL MARINE SYSTEMS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL MARINE SYSTEMS LIMITED (CONTINUED)**

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 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 qualified opinion.

#### **Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and the Parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and the Parent Company's financial resources or ability to continue operations over the going concern period.

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 or the Parent 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

As described in the basis for qualified opinion section above, we were unable to obtain sufficient appropriate evidence about the adequacy of the audit work performed in respect of an associate entity, Sino-British Submarine Systems Co., Ltd. and a joint venture entity, International Cablesip Pte Ltd. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

## **GLOBAL MARINE SYSTEMS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL MARINE SYSTEMS LIMITED (CONTINUED)**

#### **Opinions on other matters prescribed by the Companies Act 2006**

Except for the possible effects of the matters described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matter on which we are required to report under the Companies Act 2006**

Except for the matters described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

#### **Matters on which we are required to report by exception**

Arising solely from the limitation on the scope of our work relating to the Group's investment in the foreign associate (Sino-British Submarine Systems Co., Ltd.) and joint venture (International Cables Ship Pte Ltd.) referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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.

#### **Responsibilities of directors for the financial statements**

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.

## GLOBAL MARINE SYSTEMS LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL MARINE SYSTEMS LIMITED (CONTINUED)

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Explanation as to what extent 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and Parent Company and the industry in which they operate. We determined that the following laws and regulations were most significant: FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006, together with the relevant tax compliance regulations. In addition, we concluded that laws and regulations in respect of bribery and corruption, health and safety, employment and environmental standards may have an effect in the determination of the amounts and disclosure in the financial statements;
- We assessed the susceptibility of the Group's and the Parent Company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
  - Challenging assumptions and judgements made by management in its significant accounting estimates; and
  - Identifying and testing journal entries, with a focus on material journals as well as those posted at the end of the reporting period;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

## GLOBAL MARINE SYSTEMS LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL MARINE SYSTEMS LIMITED (CONTINUED)

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team, included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the Group and the Parent Company operate; and
  - understanding of the legal and regulatory requirements specific to the Group and the Parent Company.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- For components at which audit procedures were performed, we requested component auditors to report to us any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the Group financial statements.

#### 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.

*Timothy Taylor*

**Timothy Taylor**  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Chelmsford

Date: 29/9/2022

## GLOBAL MARINE SYSTEMS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$000	2020 \$000
Turnover	4	292,054	245,136
Other operating costs		(315,392)	(228,715)
<b>Operating (loss)/profit before exceptional items</b>	5	<b>(23,338)</b>	16,421
Exceptional items	9	(43,308)	(15,261)
<b>Operating (loss)/profit</b>	5	<b>(66,646)</b>	1,160
(Loss)/profit on sale of tangible assets		(378)	312
Income from participating interests		5,568	3,118
Interest receivable and similar income	10	514	1,241
Interest payable and similar expenses	11	(1,206)	(2,511)
Other finance income	12	194	175
<b>(Loss)/profit before taxation</b>		<b>(61,954)</b>	3,495
Tax on (loss)/profit	13	179	224
<b>(Loss)/profit for the financial year</b>		<b>(61,775)</b>	3,719
Currency translation differences		1,665	2,208
Actuarial gain/(loss) on defined benefit pension scheme	27	11,336	(1,134)
<b>Other comprehensive income for the year</b>		<b>13,001</b>	1,074
<b>Total comprehensive (expense)/income for the financial year</b>		<b>(48,774)</b>	4,793
<b>(Loss)/profit for the year attributable to:</b>			
Non-controlling interests		(281)	376
Owners of the parent Company		(61,494)	3,343
		<b>(61,775)</b>	3,719
<b>Total comprehensive (expense)/income for the financial year attributable to:</b>			
Non-controlling interest		240	395
Owners of the parent Company		(49,014)	4,398
		<b>(48,774)</b>	4,793

The notes on pages 30 to 70 form part of these financial statements.

**GLOBAL MARINE SYSTEMS LIMITED**  
**REGISTERED NUMBER: 01708481**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 \$000	2020 \$000
<b>Fixed assets</b>			
Intangible assets	15	8,091	9,469
Tangible assets	16	221,665	199,356
Investments	17	48,697	44,784
		<u>278,453</u>	<u>253,609</u>
<b>Current assets</b>			
Stocks	18	12,073	10,745
Debtors	19	69,928	103,792
Cash at bank and in hand	20	18,977	12,472
		<u>100,978</u>	<u>127,009</u>
Creditors: amounts falling due within one year	21	(219,505)	(176,135)
<b>Net current liabilities</b>		<u>(118,527)</u>	<u>(49,126)</u>
<b>Total assets less current liabilities</b>		<u>159,926</u>	<u>204,483</u>
Creditors: amounts falling due after more than one year	22	(27,496)	(16,423)
Deferred taxation	24	(246)	(548)
Pension asset	27	25,274	13,720
<b>Net assets</b>		<u>157,458</u>	<u>201,232</u>
<b>Capital and reserves</b>			
Called up share capital	25	40,018	40,018
Share premium account	26	5,000	-
Revaluation reserve	26	16,278	20,209
Capital contribution reserve	26	111,218	111,218
Profit and loss account	26	(15,702)	29,381
<b>Equity attributable to owners of the parent Company</b>		<u>156,812</u>	<u>200,826</u>
Non-controlling interests		646	406
<b>Total equity</b>		<u>157,458</u>	<u>201,232</u>

**GLOBAL MARINE SYSTEMS LIMITED**  
**REGISTERED NUMBER: 01708481**

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

*Ian Douglas*

**I D Douglas**  
Director

Date: 28/9/2022

The notes on pages 30 to 70 form part of these financial statements.

**GLOBAL MARINE SYSTEMS LIMITED**  
**REGISTERED NUMBER: 01708481**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 \$000	2020 \$000
<b>Fixed assets</b>			
Intangible assets	15	8,047	9,406
Tangible assets	16	164,683	144,758
Investments	17	46,682	37,278
		<u>219,412</u>	<u>191,442</u>
<b>Current assets</b>			
Stocks	18	9,488	8,728
Debtors	19	103,343	133,722
Cash at bank and in hand	20	15,100	10,054
		<u>127,931</u>	<u>152,504</u>
Creditors: amounts falling due within one year	21	(222,084)	(174,413)
<b>Net current liabilities</b>		<u>(94,153)</u>	<u>(21,909)</u>
<b>Total assets less current liabilities</b>		<u>125,259</u>	<u>169,533</u>
Creditors: amounts falling due after more than one year	22	(27,496)	(16,423)
Pension asset	27	25,274	13,720
<b>Net assets</b>		<u><u>123,037</u></u>	<u><u>166,830</u></u>
<b>Capital and reserves</b>			
Called up share capital	25	40,018	40,018
Share premium account	26	5,000	-
Revaluation reserve	26	2,583	4,968
Capital contribution reserve	26	111,218	111,218
Profit and loss account	26	(35,782)	10,626
<b>Total shareholders' funds</b>		<u><u>123,037</u></u>	<u><u>166,830</u></u>

**GLOBAL MARINE SYSTEMS LIMITED**  
**REGISTERED NUMBER: 01708481**

**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

In accordance with section 408 of Companies Act 2006 the entity has taken exemption from presenting its unconsolidated income statement. Parent Company loss for the year was \$59,102,000 (2020: profit \$37,526,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

*Ian Douglas*

**I D Douglas**  
Director

Date: 28/9/2022

The notes on pages 30 to 70 form part of these financial statements.

## GLOBAL MARINE SYSTEMS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital \$000	Share premium account \$000	Capital contribution reserve \$000	Revaluation reserve \$000	Profit and loss account \$000	Equity attributable to owners of parent Company \$000	Non- controlling interests \$000	Total equity \$000
At 1 January 2021	40,018	-	111,218	20,209	29,381	200,826	406	201,232
<b>Comprehensive expense for the financial year</b>								
Loss for the financial year	-	-	-	-	(61,494)	(61,494)	(281)	(61,775)
Currency translation differences	-	-	-	-	1,144	1,144	521	1,665
Actuarial gain on pension schemes	-	-	-	-	11,336	11,336	-	11,336
<b>Other comprehensive income for the financial year</b>	-	-	-	-	12,480	12,480	521	13,001
<b>Total comprehensive expense for the financial year</b>	-	-	-	-	(49,014)	(49,014)	240	(48,774)
<b>Contributions by and distributions to owners</b>								
Shares issued during the financial year	-	5,000	-	-	-	5,000	-	5,000
Depreciation of revalued assets	-	-	-	(3,931)	3,931	-	-	-
<b>Total transactions with owners</b>	-	5,000	-	(3,931)	3,931	5,000	-	5,000
<b>At 31 December 2021</b>	<b>40,018</b>	<b>5,000</b>	<b>111,218</b>	<b>16,278</b>	<b>(15,702)</b>	<b>156,812</b>	<b>646</b>	<b>157,458</b>

## GLOBAL MARINE SYSTEMS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital \$000	Capital contribution reserve \$000	Revaluation reserve \$000	Profit and loss account \$000	Equity attributable to owners of parent Company \$000	Non- controlling interests \$000	Total equity \$000
At 1 January 2020	40,018	79,735	24,140	171,938	315,831	11	315,842
<b>Comprehensive income for the financial year</b>							
Profit for the financial year	-	-	-	3,343	3,343	376	3,719
Currency translation differences	-	-	-	2,189	2,189	19	2,208
Actuarial loss on pension schemes	-	-	-	(1,134)	(1,134)	-	(1,134)
<b>Other comprehensive income for the financial year</b>	-	-	-	1,055	1,055	19	1,074
<b>Total comprehensive income for the financial year</b>	-	-	-	4,398	4,398	395	4,793
<b>Contributions by and distributions to owners</b>							
Dividends paid	-	-	-	(150,886)	(150,886)	-	(150,886)
Capital contribution	-	31,483	-	-	31,483	-	31,483
Depreciation of revalued assets	-	-	(3,931)	3,931	-	-	-
<b>Total transactions with owners</b>	-	31,483	(3,931)	(146,955)	(119,403)	-	(119,403)
<b>At 31 December 2020</b>	<b>40,018</b>	<b>111,218</b>	<b>20,209</b>	<b>29,381</b>	<b>200,826</b>	<b>406</b>	<b>201,232</b>

The notes on pages 30 to 70 form part of these financial statements.

## GLOBAL MARINE SYSTEMS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Capital contribution reserve	Revaluation reserve	Profit and loss account	Total shareholders' funds
	\$000	\$000	\$000	\$000	\$000	\$000
At 1 January 2021	40,018	-	111,218	4,968	10,626	166,830
<b>Comprehensive expense for the financial year</b>						
Loss for the financial year	-	-	-	-	(59,102)	(59,102)
Currency translation differences	-	-	-	-	(1,027)	(1,027)
Actuarial gain on pension schemes	-	-	-	-	11,336	11,336
<b>Other comprehensive income for the financial year</b>	-	-	-	-	10,309	10,309
<b>Total comprehensive expense for the financial year</b>	-	-	-	-	(48,793)	(48,793)
<b>Contributions by and distributions to owners</b>						
Shares issued during the financial year	-	5,000	-	-	-	5,000
Depreciation of revalued assets	-	-	-	(2,385)	2,385	-
<b>Total transactions with owners</b>	-	5,000	-	(2,385)	2,385	5,000
<b>At 31 December 2021</b>	<b>40,018</b>	<b>5,000</b>	<b>111,218</b>	<b>2,583</b>	<b>(35,782)</b>	<b>123,037</b>

The notes on pages 30 to 70 form part of these financial statements.

## GLOBAL MARINE SYSTEMS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Capital contribution reserve	Revaluation reserve	Profit and loss account	Total shareholders' funds
	\$000	\$000	\$000	\$000	\$000
At 1 January 2020	40,018	79,735	7,353	122,761	249,867
<b>Comprehensive income for the financial year</b>					
Profit for the financial year	-	-	-	37,526	37,526
Actuarial loss on pension schemes	-	-	-	(1,134)	(1,134)
Net translation differences on foreign currency	-	-	-	(26)	(26)
<b>Other comprehensive expense for the financial year</b>	-	-	-	(1,160)	(1,160)
<b>Total comprehensive income for the financial year</b>	-	-	-	36,366	36,366
<b>Contributions by and distributions to owners</b>					
Dividends paid	-	-	-	(150,886)	(150,886)
Capital contribution	-	31,483	-	-	31,483
Depreciation of revalued assets	-	-	(2,385)	2,385	-
<b>Total transactions with owners</b>	-	31,483	(2,385)	(148,501)	(119,403)
<b>At 31 December 2020</b>	<b>40,018</b>	<b>111,218</b>	<b>4,968</b>	<b>10,626</b>	<b>166,830</b>

The notes on pages 30 to 70 form part of these financial statements.

## GLOBAL MARINE SYSTEMS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$000	2020 \$000
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(61,775)	3,719
<b>Adjustments for:</b>		
Depreciation, impairment & amortisation of fixed assets	26,527	21,854
Share of profit for the year of equity accounted investments	(5,568)	(3,118)
Net interest (receivable)/payable	(166)	107
Taxation credit	(179)	(298)
Difference between pension expense and cash contribution	1	(151)
Provision for doubtful accounts receivable	150	1,407
Decrease/(increase) in debtors	34,402	(50,147)
Increase in stocks	(1,328)	(2,123)
Increase in creditors	24,353	114,355
Loss/(profit) on disposal of tangible assets	378	(312)
Foreign exchange	861	(2,214)
Corporation tax received	-	351
Interest paid	-	(497)
<b>Net cash generated from operating activities</b>	<b>17,656</b>	<b>82,933</b>
<b>Cash flows from investing activities</b>		
Sale of tangible assets	815	2,341
Purchase of tangible assets	(35,482)	(47,015)
Interest received	-	126
Dividends received	2,237	4,877
Pension contribution	-	(32,032)
<b>Net cash used in investing activities</b>	<b>(32,430)</b>	<b>(71,703)</b>

**GLOBAL MARINE SYSTEMS LIMITED****CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 \$000	2020 \$000
<b>Cash flows from financing activities</b>		
Capital contributions	5,000	31,483
Short term loans repaid	-	(32,420)
Other new loans	26,500	-
Capital element of loan and lease repaid	(9,202)	(8,009)
HP interest paid	(158)	-
	<u>22,140</u>	<u>(8,946)</u>
<b>Net cash generated from/(used in) financing activities</b>		
	<u>7,366</u>	<u>2,284</u>
<b>Net increase in cash and cash equivalents</b>		
Cash and cash equivalents at beginning of financial year	12,472	10,188
Effect of exchange rate changes	(861)	-
	<u>18,977</u>	<u>12,472</u>
<b>Cash and cash equivalents at the end of financial year</b>		
	<u>18,977</u>	<u>12,472</u>
<b>Cash and cash equivalents at the end of financial year comprise:</b>		
Cash at bank and in hand	<u>18,977</u>	<u>12,472</u>

The notes on pages 30 to 70 form part of these financial statements.

**GLOBAL MARINE SYSTEMS LIMITED****CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	At 1 January 2021 \$000	Cash flows \$000	New finance leases \$000	Foreign exchange \$000	At 31 December 2021 \$000
Cash at bank and in hand	12,472	7,366	-	(861)	18,977
Debt due within 1 year	(439)	-	-	(7)	(446)
Finance leases	(25,141)	9,202	(20,874)	-	(36,813)
	<u>(13,108)</u>	<u>16,568</u>	<u>(20,874)</u>	<u>(868)</u>	<u>(18,282)</u>

The notes on pages 30 to 70 form part of these financial statements.

## GLOBAL MARINE SYSTEMS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1. General information

Global Marine Systems Limited (the "Company") together with its subsidiaries (the "Group") is a private company limited by shares, incorporated in England under the Companies Act. The address of the registered office is Ocean House, 1 Winsford Way, Boreham Interchange, Chelmsford, Essex, CM2 5PD.

The Company is a leading provider of engineering and underwater services, responding to the subsea cable installation, maintenance and burial requirements of its customers around the world. With a fleet of vessels and specialised subsea trenching and burial equipment, the Company brings a 160 year legacy in deep and shallow water operations. GMSL's subsidiary CWind Limited ("CWind") supplies services, technical resource and vessels for the construction and maintenance of offshore wind farms.

The Company, its subsidiaries and other investments (together "the Group") offers cost effective solutions with consistently high service and quality standards to all of its customers in the markets in which it operates. The Company is headquartered in the United Kingdom, with resources throughout Europe, Asia Pacific and the Americas.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention, except where noted in the accounting policies below, and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied consistently throughout the year:

##### 2.2 Parent Company disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions. The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a Statement of Cash Flows, on the basis that it is a qualifying entity and the Consolidated Statement of Cash Flows, included in these financial statements, includes the Company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

## **GLOBAL MARINE SYSTEMS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2. Accounting policies (continued)**

##### **2.3 Basis of consolidation**

The consolidated financial statements present the results of Global Marine Systems Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### **2.4 Associates and joint ventures**

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

An entity is treated as a joint venture where the Group is party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

In the consolidated accounts, interests in associated undertakings and joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate, or joint venture. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the consolidated Balance Sheet, the interests in associated undertakings and joint ventures are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

##### **2.5 Going concern**

The directors have reviewed the historical trading performance of the Group and its revenue and cash flow projections for the 12 months following the date of signing of the financial statements. The directors are confident that the Group, with support of its shareholders, has adequate resources to meet the requirements of the business for the foreseeable future, and have therefore prepared these consolidated financial statements on a going concern basis.

The impact of the pandemic continued to influence the 2021 results, as well as a number of challenging projects. To further support the ongoing liquidity needs of the Group, J.F. Lehman & Company ("JFLCO"), contributed \$26.5m during the year and \$34.0m post year end in the form of shareholder loans. In addition, the banking facilities were successfully renegotiated in 2022 to provide further covenant headroom, combined with contingent shareholder funding if required.

The directors note that there is provision within the banking facilities agreement for the majority shareholder to be able to cure a breach of covenant, should this occur, and have obtained assurances that the majority shareholder intends to remain fully supportive of the business, to participate in a funding solution in the event that one is required and currently has access to sufficient undrawn commitments in order to do so.

## **GLOBAL MARINE SYSTEMS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2. Accounting policies (continued)**

##### **2.6 Foreign currency translation**

###### **Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in US Dollars which is the Company's functional and the Group's presentation currency.

On consolidation, the results of overseas operations are translated into US dollars at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date, including any goodwill in relation to that entity. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

###### **Transactions and balances**

Foreign currency transactions are translated into the Group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'interest payable and similar charges'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating costs'.

##### **2.7 Turnover**

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Turnover of the business for each market is treated consistently without any differentiation between market sectors, and apart from long-term contracts, turnover is recognised on an accruals basis.

Turnover and profit on long-term contracts are recognised in the financial statements according to the overall state of completion of the contract reached during the period. Amounts recoverable on long term contracts, which are included in accrued income, are stated at the sales net value of the work done less amounts received as progress payments on the account. Excess progress payments are included in deferred income as payments on account. Cumulative costs incurred net of amounts transferred to other operating costs, less provision for contingencies and anticipated future losses on contracts, are included as long term contract balances in stock and work in progress.

## **GLOBAL MARINE SYSTEMS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2. Accounting policies (continued)**

##### **2.8 Leased assets - lessee**

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets are capitalised as tangible fixed assets and are depreciated over the shorter of their useful lives or the lease period. The capital elements of future asset lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

##### **2.9 Pensions**

The Group operates various pension schemes comprising both defined benefit schemes and defined contribution schemes.

For the defined benefit schemes and the MNOFF scheme the amounts charged to operating profit are the current service costs and the gains and losses on settlements and curtailments. These are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until the vesting occurs. The interest cost and the expected return of assets are shown as a net amount of other finance cost or income adjacent to interest. Actuarial gains and losses are recognised immediately in other comprehensive income.

Defined benefit schemes are funded with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted to present value. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The resulting defined benefit asset or liability is presented separately after net assets on the face of the Balance Sheet.

For the defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

##### **2.10 Research and development**

Research and development expenditure is written off to the profit and loss account as incurred.

##### **2.11 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

##### **2.12 Finance costs**

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

## **GLOBAL MARINE SYSTEMS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2. Accounting policies (continued)**

##### **2.13 Borrowing costs**

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

##### **2.14 Current and deferred taxation**

Global Marine Systems Limited renewed its election into the UK tonnage tax regime on 24 December 2020 for a period of ten years. Under the tonnage tax regime the current year tax charge arising on qualifying activities is calculated by reference to net tonnage of the qualifying ships owned by the Group.

This method replaces both the tax-adjusted commercial profit/loss on qualifying shipping trade and chargeable gains/losses made on disposal of tonnage tax assets as calculated in previous periods. To the extent that the Company generates profits/losses, which do not qualify for inclusion under the above regime, they will be taxable under general UK corporation tax principles.

Deferred taxation should not generally arise in respect of profits/losses within the tonnage tax regime. However, where the Group generates profits/losses which do not qualify for inclusion under the above regime, deferred taxation will be provided on income and expenditure dealt with for taxation purposes in periods different from those for accounting purposes, to the extent that it is probable that a liability or asset will crystallise. Deferred tax balances are not discounted.

Deferred tax balances are recognised on timing differences that relate to interests in subsidiaries, associates, branches and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

##### **2.15 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

## GLOBAL MARINE SYSTEMS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2. Accounting policies (continued)

##### 2.16 Intangible assets

###### Goodwill

Goodwill arising on an acquisition of a trade/subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired.

Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life, being 10 years. Impairment tests of the carrying value of goodwill are undertaken:

- at the end of the full financial year following acquisition; or
- in other years if events or changes in circumstances indicate that the carrying value may not be recoverable.

Where the fair value of the assets and liabilities acquired exceeds the fair value of the consideration, the difference is treated as negative goodwill, and is capitalised and amortised through the profit and loss account over the period over which the non-monetary assets acquired are consumed. In the case of fixed assets this is the period over which they are depreciated.

###### Other intangible assets

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets acquired as part of an acquisition are not recognised where they arise from legal or other contractual rights, and where there is no history of exchange transactions.

Intangible assets created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets are as follows:

Trade name - 10 years

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ, the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

## GLOBAL MARINE SYSTEMS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2. Accounting policies (continued)

##### 2.17 Tangible assets

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

Depreciation is provided on all tangible fixed assets, other than freehold land, 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:

Cable-ships and submersibles	- up to 35 years
Plant and motor vehicles	- 3 to 20 years
Leasehold land and buildings	- over the period of the lease

Plant includes equipment on the cable-ships that is portable and can be moved around the fleet. Plant also includes computer equipment. The expected useful lives of the assets of the business are reassessed periodically.

Assets under construction are not depreciated until they are complete and available for use; when they are reclassified to an asset class and subject to the depreciation rates set out above.

As at 1 January 2015, the Company applied the transitional arrangements of section 35 of FRS 102 and used a previous valuation as deemed cost for cable-ships and submersibles. The cable-ships and submersibles are being depreciated from their most recent valuation date being 31 December 2012.

##### 2.18 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### 2.19 Revaluation of tangible assets

As permitted by the transitional provisions of Financial Reporting Standard 102, the Company has elected to use a previous revaluation at 31 December 2012 of cable-ships and submersibles as deemed cost.

Revaluation gains and losses are recognised in the Statement of Consolidated Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the Consolidated Statement of Comprehensive Income.

## **GLOBAL MARINE SYSTEMS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2. Accounting policies (continued)**

##### **2.20 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each Balance Sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each Balance Sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### **2.21 Investments**

###### **Company**

Investments in subsidiary undertakings, associate undertakings and joint ventures are stated at cost less any provision for impairment. Impairment reviews are carried out by management should any events occur or business circumstances change which indicate that recoverable amount is below carrying value. Any impairment provisions are charged to the Company profit and loss account.

###### **Group**

The Group has certain contractual agreements with other participants in unincorporated entities that create an entity carrying on a trade or business of its own (joint arrangements - non entity). The Group include the results of these entities within its own results.

The Group's investments in joint ventures and associate undertakings are accounted for using the Equity method.

The Group's other investments are stated at cost less any provision for impairment.

##### **2.22 Stocks and work in progress**

Stocks are valued at the lower of cost and net realisable value on a first in first out basis. Provisions for deterioration and obsolescence are made where appropriate and are charged to the profit and loss account in operating expenses.

Short term work in progress on contracts is stated at cost less foreseeable losses. These costs include only direct labour and expenses incurred to date and exclude any allocation of overheads. The policy for long term work in progress contracts is disclosed within the turnover accounting policy.

##### **2.23 Debtors**

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

## **GLOBAL MARINE SYSTEMS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2. Accounting policies (continued)**

##### **2.24 Cash and cash equivalents**

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### **2.25 Creditors**

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

##### **2.26 Termination benefits**

A liability is recognised when the entity is demonstrably committed to terminate the employment contract.

##### **2.27 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

##### **2.28 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

##### **2.29 Financial assets**

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

##### **2.30 Financial liabilities and equity**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

## GLOBAL MARINE SYSTEMS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the investments, tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the 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;
- Determine whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis;
- Determine whether the Group has control, joint control, or significant influence in certain holdings depending on the contractual and legal power to govern, jointly govern, or participate in the financial and operating policies of an entity so as to obtain benefits from its activities.

#### **Other key sources of estimation uncertainty:**

Tangible assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The costs of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 27.

Revenue is recognised for certain long-term complex projects based on the stage of completion of the contract activity. This is measured by comparing the proportion of costs incurred, against the estimated whole-life contract costs. Particular judgement is required in evaluating the operational and financial business plans for these contracts to forecast the expected whole-life contract billings, costs and margin and to assess the recoverability of any resulting accrued income through the life of the contract. In forming the judgement around expected whole-life contract billings, account is taken of potential deductions from and increments to revenue that may arise from the application of performance related measures under contracts.

The Group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

#### **Provisions and Contingencies**

Provisions are made for doubtful debts and contingencies in respect of legal disputes the Group is involved in. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements.

## GLOBAL MARINE SYSTEMS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 4. Turnover

Turnover, results and net assets are principally derived from telecoms, power and offshore installation. Contracts within telecoms include long term agreements for the provision of maintenance of submarine telecommunications cables as well as associated services for the installation either directly with cable owners or indirectly by providing charter services, including transactions with Group companies and joint ventures. Turnover from oil and gas and offshore power is service based and includes the installation and associated services in connection with the laying of marine power cables to wind farms and oil and gas pipelines.

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

	2021 \$000	2020 \$000
Telecoms	148,904	108,886
Power	46,910	24,848
Offshore Installation	93,204	109,953
OceaniQ	3,036	1,449
	<u>292,054</u>	<u>245,136</u>

Analysis of turnover by country of destination:

	2021 \$000	2020 \$000
United Kingdom	137,827	47,710
EMEA	81,742	100,903
Asia Pacific	46,715	43,769
Americas	25,770	52,754
	<u>292,054</u>	<u>245,136</u>

Part of the Group's success has been based on the substitutability of services between market sectors. Cable-ships by nature are also mobile and easily transit between regions as required. Business is contracted to optimise the combination of available business and asset mix and fit at the time of contracting. For this reason, the directors consider that the disclosure of assets and profitability against any particular geographical segments and turnover by market sector would be misleading and seriously prejudicial to the interests of the Group.

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2021	2020
	\$000	\$000
Depreciation of tangible assets (note 16)	25,149	20,483
Amortisation of intangible assets (note 15)	1,378	1,371
Operating lease rentals	35,073	19,912
Loss on exchange	259	2,436
	<u>259</u>	<u>2,436</u>

## 6. Auditors' remuneration

	2021	2020
	\$000	\$000
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	195	155
	<u>195</u>	<u>155</u>

## Fees payable to the Group's auditors in respect of:

The audit of the Company's subsidiaries, pursuant to legislation	74	55
All other services	-	74
	<u>74</u>	<u>129</u>

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 7. Employees

Staff costs were as follows:

	Group 2021 \$000	Group 2020 \$000	Company 2021 \$000	Company 2020 \$000
Wages and salaries	53,286	39,408	45,556	32,965
Social security costs	2,595	2,295	1,850	1,661
Other pension costs - defined pension contribution schemes	2,824	2,176	2,519	1,897
	<u>58,705</u>	<u>43,879</u>	<u>49,925</u>	<u>36,523</u>

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

	Group 2021 Number	Group 2020 Number	Company 2021 Number	Company 2020 Number
Marine	225	189	225	189
Operation support	267	227	169	139
Sales and administration	70	52	56	47
	<u>562</u>	<u>468</u>	<u>450</u>	<u>375</u>

## 8. Directors' remuneration

	2021 \$000	2020 \$000
Aggregate directors' remuneration	1,712	1,605
Company contributions to money purchase schemes	66	81
Amounts paid to third parties in respect of directors' services	607	896
	<u>2,385</u>	<u>2,582</u>

The highest paid director received a remuneration of \$650,901 (2020: \$802,676) during the year.

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to \$50,595 (2020: \$47,337).

During the year retirement benefits were accruing to five directors (2020: four) in respect of money purchase schemes.

Costs relating to two directors are borne by a parent company.

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 9. Exceptional items

During the year, the following costs were incurred due to Covid-19. For further details please refer to the Going concern paragraph in note 2.5.

	2021 \$000	2020 \$000
Exceptional items	<u>43,308</u>	<u>15,261</u>

## 10. Interest receivable and similar income

	2021 \$000	2020 \$000
Interest receivable from group companies	-	148
Exchange gain	-	1,039
Other interest receivable	514	54
	<u>514</u>	<u>1,241</u>

## 11. Interest payable and similar expenses

	2021 \$000	2020 \$000
Interest payable on loans	-	210
Finance charges in respect of finance leases and hire purchase	158	2,206
Other interest payable	187	95
Exchange loss	861	-
	<u>1,206</u>	<u>2,511</u>

## 12. Other finance costs

	2021 \$000	2020 \$000
Net interest on net defined benefit assets	<u>194</u>	<u>175</u>

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 13. Tax on (loss)/profit

	2021 \$000	2020 \$000
<b>Corporation tax</b>		
Current tax on (loss)/profit for the financial year	17	14
<b>Foreign tax</b>		
Overseas current taxation	106	566
<b>Total current tax</b>	<u>123</u>	<u>580</u>
<b>Deferred tax</b>		
Overseas deferred taxation	(302)	(804)
<b>Total deferred tax</b>	<u>(302)</u>	<u>(804)</u>
<b>Total tax</b>	<u>(179)</u>	<u>(224)</u>

On 24 December 2020, the Group renewed its election into the UK Tonnage Tax regime for a period of 10 years. This regime calculates tax payable on qualifying shipping activities in accordance with the net tonnage of qualifying ships, rather than the adjustment of commercial profits.

**Factors affecting tax credit for the year**

The tax assessed for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 \$000	2020 \$000
(Loss)/profit before taxation	<u>(61,954)</u>	<u>3,495</u>
(Loss)/profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(11,771)	664
<b>Effects of:</b>		
Share of JV & Associate profit already subject to tax	(1,105)	(592)
Gains under tonnage tax scheme	3,759	(2,630)
Deferred tax charge on undistributed overseas profits	(302)	(804)
Losses arising in the year not relievable against current tax or recognisable as a deferred asset	9,240	3,138
<b>Total tax credit for the financial year</b>	<u>(179)</u>	<u>(224)</u>

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 13. Tax on (loss)/profit (continued)

## Factors that may affect future tax charges

The Group's overseas tax rates are higher than those in the UK primarily because profits earned in Germany are taxed at a rate in excess of 20%. There is no indication that these rates are likely to change in the near future.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023. Deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25% that is enacted at the reporting date.

## 14. Dividends

	2021 \$000	2020 \$000
Dividends paid \$Nil per share (2020: \$5.03)	-	150,886

## 15. Intangible assets

## Group

	Trade name \$000	Goodwill \$000	Negative goodwill \$000	Total \$000
<b>Cost</b>				
At 1 January 2021	690	13,841	(932)	13,599
At 31 December 2021	690	13,841	(932)	13,599
<b>Accumulated amortisation</b>				
At 1 January 2021	339	4,310	(519)	4,130
Charge for the year	75	1,385	(82)	1,378
At 31 December 2021	414	5,695	(601)	5,508
<b>Net book value</b>				
At 31 December 2021	276	8,146	(331)	8,091
At 31 December 2020	351	9,531	(413)	9,469

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 15. Intangible assets (continued)

## Company

	Goodwill \$000
<b>Cost</b>	
At 1 January 2021	13,597
At 31 December 2021	<u>13,597</u>
<b>Accumulated amortisation</b>	
At 1 January 2021	4,191
Charge for the year	1,359
At 31 December 2021	<u>5,550</u>
<b>Net book value</b>	
At 31 December 2021	<u>8,047</u>
At 31 December 2020	<u>9,406</u>

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 16. Tangible assets

## Group

	Land and buildings short leasehold \$000	Plant and motor vehicles \$000	Cable-ships and submersibles \$000	Assets under construction \$000	Total \$000
<b>Cost</b>					
At 1 January 2021	17,517	23,265	373,447	11,615	425,844
Additions	-	65	22,438	26,432	48,935
Disposals	(56)	(6,132)	(7,821)	-	(14,009)
Reclassification assets under construction	2	4,909	20,439	(25,350)	-
Exchange revaluation	(1)	(23)	(358)	(3)	(385)
At 31 December 2021	<u>17,462</u>	<u>22,084</u>	<u>408,145</u>	<u>12,694</u>	<u>460,385</u>
<b>Accumulated depreciation</b>					
At 1 January 2021	11,679	15,670	199,139	-	226,488
Charge for the year	750	1,411	22,988	-	25,149
Disposals	(50)	(5,799)	(6,862)	-	(12,711)
Exchange revaluation	-	(15)	(191)	-	(206)
At 31 December 2021	<u>12,379</u>	<u>11,267</u>	<u>215,074</u>	<u>-</u>	<u>238,720</u>
<b>Net book value</b>					
At 31 December 2021	<u>5,083</u>	<u>10,817</u>	<u>193,071</u>	<u>12,694</u>	<u>221,665</u>
At 31 December 2020	<u>5,838</u>	<u>7,595</u>	<u>174,308</u>	<u>11,615</u>	<u>199,356</u>

Included in the total net book value of cable-ships and submersibles of the Group is \$43,307,000 (2020: \$24,686,000) in respect of assets held under finance leases and hire purchase contracts. Depreciation for the Group for the year on these assets was \$3,640,000 (2020: \$3,039,000).

Depreciation relating to the re-valued part of the asset is transferred from the revaluation reserve to the profit and loss account as a realised movement on reserves.

In 2021 the depreciation realised on re-valued assets for the Group was \$3,931,000 (2020: \$3,933,000). The Group revaluation reserve balance at the end of the year is \$16,278,000 (2020: \$20,209,000).

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 16. Tangible assets (continued)

## Company

	Land and buildings short leasehold \$000	Plant and motor vehicles \$000	Cable-ships and submersibles \$000	Assets under construction \$000	Total \$000
<b>Cost</b>					
At 1 January 2021	17,421	20,439	220,192	11,267	269,319
Additions	-	917	23,747	1,255	25,919
Disposals	(47)	-	-	-	(47)
At 31 December 2021	<u>17,374</u>	<u>21,356</u>	<u>243,939</u>	<u>12,522</u>	<u>295,191</u>
<b>Accumulated depreciation</b>					
At 1 January 2021	11,606	13,658	99,297	-	124,561
Charge for the year	726	-	8,589	-	9,315
Disposals	-	(3,368)	-	-	(3,368)
At 31 December 2021	<u>12,332</u>	<u>10,290</u>	<u>107,886</u>	<u>-</u>	<u>130,508</u>
<b>Net book value</b>					
At 31 December 2021	<u>5,042</u>	<u>11,066</u>	<u>136,053</u>	<u>12,522</u>	<u>164,683</u>
At 31 December 2020	<u>5,815</u>	<u>6,781</u>	<u>120,895</u>	<u>11,267</u>	<u>144,758</u>

Included in the total net book value of cable-ships and submersibles of the Company is \$43,307,000 (2020: \$24,686,000) in respect of assets held under finance leases and hire purchase contracts. Depreciation for the Company for the year on these assets was \$3,801,000 (2020: \$3,039,000).

In 2021 the depreciation realised on re-valued assets for the Company was \$2,385,000 (2020: \$2,385,000). The Company revaluation reserve balance at the end of the year is \$2,583,000 (2020: \$4,968,000).

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 17. Investments

## Group

	Investments in joint ventures \$000	Investments in associates \$000	Other investments \$000	Total \$000
<b>Cost or valuation</b>				
At 1 January 2021	5,831	37,786	1,167	44,784
Foreign exchange movement	40	292	-	332
Dividends received	(2,237)	-	-	(2,237)
Share of profit	3,439	2,379	-	5,818
At 31 December 2021	<u>7,073</u>	<u>40,457</u>	<u>1,167</u>	<u>48,697</u>
<b>Net book value</b>				
At 31 December 2021	<u>7,073</u>	<u>40,457</u>	<u>1,167</u>	<u>48,697</u>
At 31 December 2020	<u>5,831</u>	<u>37,786</u>	<u>1,167</u>	<u>44,784</u>

Other investments are stated at cost less any provision for impairment.

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 17. Investments (continued)

## Company

	Invest- ments in subsidiary companies \$000	Invest- ments in joint ventures \$000	Invest- ments in associates \$000	Loans to subsidiaries \$000	Other invest- ments \$000	Total \$000
<b>Cost</b>						
At 1 January 2021	21,750	495	21,535	27,363	1,167	72,310
Transfers	-	-	-	9,404	-	9,404
At 31 December 2021	<u>21,750</u>	<u>495</u>	<u>21,535</u>	<u>36,767</u>	<u>1,167</u>	<u>81,714</u>
<b>Accumulated impairment</b>						
At 1 January 2021	21,678	345	-	13,009	-	35,032
At 31 December 2021	<u>21,678</u>	<u>345</u>	<u>-</u>	<u>13,009</u>	<u>-</u>	<u>35,032</u>
<b>Net book value</b>						
At 31 December 2021	<u>72</u>	<u>150</u>	<u>21,535</u>	<u>23,758</u>	<u>1,167</u>	<u>46,682</u>
At 31 December 2020	<u>72</u>	<u>150</u>	<u>21,535</u>	<u>14,354</u>	<u>1,167</u>	<u>37,278</u>

In the opinion of the directors the investments in, and amounts due from, the Company's subsidiary undertakings, associates and joint ventures are of a value of at least the amounts at which they are stated in the Balance Sheet.

Other investments are stated at cost less any provision for impairment.

**GLOBAL MARINE SYSTEMS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****17. Investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Global Marine Systems (Americas) Inc	425 Boylston Street, 3111 Floor, Boston, MA 02116, USA	Dormant holding company	Ordinary	100%
Global Marine Cable Systems Pte Limited*	80 Raffles Place, 32-01 UOB Plaza, Singapore. 048624	Submarine telecommunications	Ordinary	100%
Vibro-Einspultchnik Duker und Wasserbau GmbH	c/o Avocado, Rechtsanwälte, Schillerstraße 20, 60313 Frankfurt am Main, Germany	Holding company	Ordinary	100%
Global Marine Systems (Depots) Limited	Suite 2600, Three Bentall Centre, PO Box 49314, 595 Burrard St. Vancouver, British Columbia, V7X 1L3, Canada	Cable storage	Ordinary	100%
Global Marine Systems (Guernsey) Limited	Frances House, Sir William Place, ST Peter Port, Guernsey, GY1 4EA	Fleet manning	Ordinary	100%
Global Marine Systems Pension Trustee Limited	Ocean House, 1 Winsford Way, Boreham Interchange, Chelmsford, CM2 5PD, England	Pension	Ordinary	100%
Global Marine Systems (Bermuda) Limited	Canons Court, 22 Victoria Street, Hamilton HM12, Bermuda	Depot services	Ordinary	100%
Global Marine Systems (Investments) Limited	Ocean House, 1 Winsford Way, Boreham Interchange, Chelmsford, CM2 5PD, England	Dormant holding company	Ordinary	100%
Global Marine Systems (Vessels II) Limited	Ocean House, 1 Winsford Way, Boreham Interchange, Chelmsford, CM2 5PD, England	Dormant	Ordinary	100%

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 17. Investments (continued)

## Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Red Sky Subsea Limited	Ocean House, 1 Winsford Way, Boreham Interchange, Chelmsford, CM2 5PD, England	Dormant	Ordinary	100%
Global Marine Systems (Vessels) Limited	Ocean House, 1 Winsford Way, Boreham Interchange, Chelmsford, CM2 5PD, England	Barecon charter agreements	Ordinary	100%
Global Marine Search Limited	Ocean House, 1 Winsford Way, Boreham Interchange, Chelmsford, CM2 5PD, England	Dormant	Ordinary	100%
CWind Limited	Ocean House, 1 Winsford Way, Boreham Interchange, Chelmsford, CM2 5PD, England	Offshore wind and energy services	Ordinary	100%
CWind 247 GmbH*	c/o Avocado, Rechtsanwalte, SchillerstraBe 20, 60313 Frankfurt am Main, Germany	Offshore wind and energy services	Ordinary	100%
CWind Taiwan Co., Ltd*	17F No 270 Sec. 4, Zhongxiao E. Rd, Da An Dist, Taipei City, 10694, Taiwan	Offshore wind farm training	Ordinary	51%
Global Marine Systems (Netherlands) BV	Ocean House, 1 Winsford Way, Boreham Interchange, Chelmsford, CM2 5PD, England Incorporated in the Netherlands	Dormant	Ordinary	100%
Global Marine Systems Oil & Gas Limited	Ocean House, 1 Winsford Way, Boreham Interchange, Chelmsford, CM2 5PD, England	Dormant	Ordinary	100%

**GLOBAL MARINE SYSTEMS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****17. Investments (continued)****Subsidiary undertakings (continued)**

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
GMSL Employee Benefit Trust Limited	Ocean House, 1 Winsford Way, Boreham Interchange, Chelmsford, CM2 5PD, England.	Trust	Ordinary	100%

\*Indirectly held

All subsidiaries companies are included in the consolidated group numbers.

**Joint venture**

The following were associates of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Sembawang Cable Depot Pte limited	375 Tanjong Katong Road Tanjong Katong Telephone Exchange, Singapore 437132	Cable storage	Ordinary	40%
International Cablesip Pte Limited	375 Tanjong Katong Road Tanjong Katong Telephone Exchange, Singapore 437132	Ship operator	Ordinary	30%
Visser Smit - Global Marine VOF	Rietgorsweg 67, 3356LJ Oaoendrecht, Netherlands	Wind farm installation	Partnership share	50%

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 17. Investments (continued)

## Associates

The following were joint ventures of the Company:

Name	Registered office	Principal activity	Holding
Sino British Submarine Systems Co Ltd	295 Tonghai Road, Minhang District, Shanghai Legal, China	Submarine telecommunications	49%
Shanghai Jian Long*	Room 0278, Building 2, No. 1500, LongWu Road, Shanghai, China	Submarine telecommunications	39.2%
Taiwan International Windpower Training Corporation**	100 Zhugang Road, Wuqi District, Taichung, 45341, Taiwan	Offshore wind farm training	10.2%
Flexservice Offshore	295 Tonghai Road, Minhang District, Shanghai Legal, China	Submarine telecommunications	49%

Class of shares for all the associates is ordinary.

\*Shanghai Jian Long is 80% owned by Sino British Submarine Systems Co Ltd; therefore the Company effectively owns 39.2% of Shanghai Jian Long.

\*\*Taiwan International Windpower Training Corporation is 20% owned by Cwind Taiwan; therefore the Company effectively owns 10.2% of Taiwan International Windpower Training Corporation.

All shares that are held by the Group are held by the parent Company unless otherwise stated. There are no special rights or constraints attached to these shares.

## 18. Stocks

	Group 2021 \$000	Group 2020 \$000	Company 2021 \$000	Company 2020 \$000
Raw materials and consumables	11,935	10,471	9,350	8,364
Work in progress	138	274	138	364
	<b>12,073</b>	<b>10,745</b>	<b>9,488</b>	<b>8,728</b>

An impairment loss of \$Nil (2020: \$Nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 19. Debtors

	<b>Group 2021 \$000</b>	Group 2020 \$000	<b>Company 2021 \$000</b>	Company 2020 \$000
Trade debtors	<b>30,447</b>	36,845	<b>26,714</b>	33,421
Amounts owed by group undertakings				
- Subsidiary undertakings	-	-	<b>41,992</b>	36,627
Amounts owed by joint ventures and associated undertakings	-	382	-	-
Value added tax	<b>1,185</b>	2,670	<b>1,027</b>	2,158
Other debtors	<b>5,063</b>	4,102	<b>4,684</b>	3,530
Prepayments and accrued income	<b>32,532</b>	58,926	<b>28,624</b>	57,986
Tax recoverable	<b>701</b>	867	-	-
Deferred taxation (see note 24)	-	-	<b>302</b>	-
	<b>69,928</b>	103,792	<b>103,343</b>	133,722

The amounts owed by Group undertakings are unsecured, non-interest bearing and repayable on demand.

The impairment loss included in the Consolidated Statement of Comprehensive Income for the period in respect of bad and doubtful trade debtors was \$150,000 (2020: \$2,841,553) and Company Statement of Comprehensive Income was \$186,000 (2020: \$(2,861,000)).

The balance of Group bad and doubtful trade debtors at 31 December 2021 was \$1,207,000 (2020: \$2,846,000) and Company bad and doubtful trade debtors was \$1,129,000 (2020: \$2,846,000).

## 20. Cash at bank and in hand

	<b>Group 2021 \$000</b>	Group 2020 \$000	<b>Company 2021 \$000</b>	Company 2020 \$000
Cash at bank and in hand	<b>18,977</b>	12,472	<b>15,100</b>	10,054

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 21. Creditors: amounts falling due within one year

	Group 2021 \$000	Group 2020 \$000	Company 2021 \$000	Company 2020 \$000
Obligations under loans	446	439	-	-
Trade creditors	57,766	41,006	51,231	36,245
Amounts owed to group undertakings				
- Subsidiary undertakings	-	-	105,690	77,526
- Group company	87,657	66,681	-	-
- Immediate parent company	-	665	-	665
Amounts owed to joint ventures and associated undertakings	-	141	-	-
Corporation tax	-	-	81	81
Other taxation and social security	3,262	1,543	1,158	503
Net Obligations under finance lease and hire purchase contracts (see note 23)	9,317	8,718	9,317	8,718
Accruals	50,173	56,402	43,730	50,135
Deferred income	10,884	540	10,877	540
	<u>219,505</u>	<u>176,135</u>	<u>222,084</u>	<u>174,413</u>

The amounts owed to group undertakings are unsecured, non-interest bearing and are repayable on demand.

## 22. Creditors: amounts falling due after more than one year

	Group 2021 \$000	Group 2020 \$000	Company 2021 \$000	Company 2020 \$000
Net obligations under finance leases and hire purchase contracts (see note 23)	27,496	16,423	27,496	16,423
	<u>27,496</u>	<u>16,423</u>	<u>27,496</u>	<u>16,423</u>

**GLOBAL MARINE SYSTEMS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****23. Hire purchase and finance leases**

The maturity of obligations under finance leases and hire purchase contracts are as follows:

	2021 \$000	2020 \$000
<b>Group and Company</b>		
Within one year	9,317	8,718
Between 1-5 years	23,749	16,423
Over 5 years	3,747	-
	<u>36,813</u>	<u>25,141</u>

The finance leases and hire purchase contracts are secured on the assets to which they relate and bear a weighted average interest rate of approximately 5.8% (2020: 5.8%).

**24. Deferred taxation**

Since January 2001, the Group has reported under the UK Tonnage Tax regime. This regime calculates tax payable on qualifying shipping activities in accordance with the net tonnage of qualifying ships, rather than the adjustment of commercial profits.

**Group**

	2021 \$000
At beginning of year	548
Credited to profit or loss	(302)
<b>At end of year</b>	<u>246</u>

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 24. Deferred taxation (continued)

## Company

	2021 \$000
At beginning of year	-
Credited to profit or loss	(302)
<b>At end of year</b>	<b>(302)</b>

The provision for deferred taxation is made up as follows:

	Group 2021 \$000	Group 2020 \$000	Company 2021 \$000	Company 2020 \$000
Foreign tax on undistributed reserves of group foreign entities	246	548	(302)	-

Unrecognised deferred tax assets/(liabilities) during the year is as follows:

	Group 2021 \$000	Group 2020 \$000	Company 2021 \$000	Company 2020 \$000
Re-valued assets	(646)	(3,840)	(646)	(944)
Pension liability	(4,802)	(2,607)	(4,802)	(2,607)
Tax losses available	66,350	46,094	60,504	43,829
	<b>60,902</b>	<b>39,647</b>	<b>55,056</b>	<b>40,278</b>

The majority of the Group's assets are tonnage tax assets, which do not qualify for capital allowances or capital gains allowable in the periods in which the Group is within the tonnage tax regime. Deferred tax liabilities in respect of these assets have not been provided on the basis that the Group intends to remain in the tonnage tax regime for the foreseeable future and has no current plans to make further disposals of tonnage tax assets. The next renewal date to elect to remain in the UK Tonnage tax regime is 27 November 2030.

An unrecognised deferred tax asset arises in relation to tax losses on the non-tonnage tax business and the CWind entity. These deferred tax assets have not been recognised on the basis that there is insufficient evidence of taxable profits arising in the future. The deferred tax asset will be recognised if sufficient profits are generated in the future to enable the asset to become recoverable.

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 25. Called up share capital

	2021 \$000	2020 \$000
<b>Allotted, called up and fully paid</b>		
27,000,001 (2020: 27,000,000) A Ordinary shares of £1.00 (2020: £1.00) each	39,974	39,974
2,999,999 (2020: 2,999,999) B Ordinary shares of £0.01 (2020: £1.00) each	44	44
	<u>40,018</u>	<u>40,018</u>

The A and B ordinary shares rank equally for any dividend declared. On a return of assets (whether in a winding-up, reduction of capital or otherwise) the remaining assets will be distributed amongst the A and B shares in proportion to the number of shares held, without reference to the nominal value or amount paid up on the shares. Ordinary class B shares do not convey any voting rights.

On 24 May 2021, the Company issued 1 Ordinary shares of £1 each for total consideration of \$5,000,000.

## 26. Reserves

**Share premium account**

The share premium account represents amounts raised on the initial allotment of share capital in excess of the nominal value of shares issued, less any costs directly attributable to the issue of that share capital.

**Revaluation reserve**

The revaluation reserve represents the historic revaluations upward on vessels and submersibles above their net book value.

**Capital contribution reserve**

The capital contribution reserve relates to assets assumed by the Global Marine Systems Limited following contributions by a parent company.

**Profit and loss account**

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

## GLOBAL MARINE SYSTEMS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 27. Pension commitments

The Group has established a number of pension schemes and contribute to other pension schemes around the world covering many of its employees. The principal funds are those in the UK comprising The Global Marine Systems Pension Plan, The Global Marine Personal Pension Plan (established in 2008), and Global Marine Systems (Guernsey) Pension Plan. A number of employees are members of the Merchant Navy Officers Pension Fund, a centralised defined benefit scheme to which the Group contributes.

The Global Marine Systems Pension Plan, the Global Marine Systems (Guernsey) Pension Plan and the Merchant Navy Officers Pension Fund are funded schemes of the defined benefit type with assets held in separate trustee administered funds. However as the Global Marine Systems (Guernsey) Pension Plan, which operates both a Career Average Re-valued Earnings ("CARE") defined benefit section and a defined contribution section is small with few members, the scheme is accounted for as defined contribution type scheme. The Global Marine Personal Pension Plan is predominantly of the money purchase type.

The Global Marine Systems Pension Plan was a hybrid, exempt approved, occupational pension scheme for the majority of staff, which provides pension and death in service benefits. The defined benefit section of the Plan provided final salary benefits up to 31 December 2003 and CARE benefits from 1 January 2004. In 2008 the defined contribution section was closed to new contributions and all the accumulated funds attributable to the defined contribution members were transferred to a Contracted in Money Purchase Scheme ("CIMP") set up by the Group. These funds were held on behalf of the defined contribution members and were all transferred to the Global Marine Personal Pension plan of each member on or before 30 June 2009. From 31 August 2006 the defined benefit section of the Scheme closed to future accrual and active members were offered membership of the existing defined contribution section (with some enhanced benefits).

#### **Pension scheme valuations and contributions payable**

##### Global Marine Systems Pension Plan - Defined Benefit Section

The Company participates in a defined benefit pension scheme called the Global Marine Systems Pension Plan (the Plan). The Plan is a multi-employer plan and the Company is responsible for the majority of the liabilities and the details provided below are in respect of the whole Plan.

The level of benefits provided by the Plan depends on a member's length of service and their salary while they were earning benefits. The Plan closed to future accrual of benefits on 31 August 2006. The assets of the Plan are held separately to the Company in a trustee-administered fund. The funding policy is for the Plan to hold assets equal to the present value of the benefits due from the Plan, based on a set of assumptions used for funding the Plan, which are agreed between the Company and the Trustee of the Plan. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding policy, then the Company and Trustee agree deficit contributions to meet this deficit over an agreed period.

The results of the formal actuarial valuation of the Plan as at 31 December 2019 were updated to the accounting date by an independent qualified actuary in accordance with FRS102, allowing for contributions, benefit payments made, and changes in market conditions.

Deficit contributions to the Plan over 2022 are expected to be Nil.

There is a risk to the Company that adverse experience could lead to a requirement for the Company to make additional contributions to recover any deficit that arises.

## GLOBAL MARINE SYSTEMS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 27. Pension commitments (continued)

##### Global Marine Personal Pension Plan

This is a defined contribution pension scheme and is contributory from the employee; the rate of contributions is split as follows:

- ex CARE employees contributing between 2.5% and 7.5% and the employer contributing at a matching rate plus an additional 5% fixed contributions; and
- defined contribution employees contributing between 2% and 7.5% and the employer contributing at a matching rate.

##### Merchant Navy Officers Pension Fund

The Company participates in a defined benefit pension scheme called the Merchant Navy Officers Pension Fund ("the Fund"). The Fund is a multi-employer fund and the Company is responsible for a specified proportion of the liabilities and the details provided below are in respect of the that proportion of the Fund.

The level of benefits provided by the Fund depends on a member's length of service and their salary while they were earning benefits. The assets of the Fund are held separately to the Company in a trustee-administered fund. The funding policy is for the Fund to hold assets equal to the present value of the benefits due from the Fund, based on a set of assumptions used for funding the Fund, which are agreed with the Trustee of the Fund. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding policy, then deficit contributions are agreed to meet this deficit over an agreed period.

The results of the formal actuarial valuation of the Fund as at 31 March 2021 were approximately updated to the accounting date by an independent qualified actuary in accordance with FRS102, allowing for contributions, benefit payments made, and changes in market conditions.

Deficit contributions to the Fund over 2022 are expected to be Nil.

There is a risk to the Company that adverse experience could lead to a requirement for the Company to make additional contributions to recover any deficit that arises.

##### Global Marine Systems (Guernsey) Pension Plan

The defined benefit section of the Guernsey Scheme is contributory, with employees contributing between 5% and 8% (depending on their age), the employer ceased contributing after July 2004. The defined contribution section is also contributory, with employees contributing between 2% and 7.5% (depending on their age and individual choice) and the employer contributing at a matching rate.

The defined benefit section of the Guernsey Scheme is funded by the payment of contributions determined with the advice of qualified independent actuaries on the basis of triennial valuations using the projected unit method.

An actuarial valuation was conducted as of December 31, 2013. The principal actuarial assumptions used by the actuary were investment returns of 5.3% per annum pre-retirement, 4.4% per annum post retirement, inflation of 3.7% per annum and pension increases of 3.3% per annum.

At the valuation date the market value of the assets amounted to £1,846,000. The results show a past service shortfall of £143,000 corresponding to a funding ratio of 92%.

Following the actuarial valuation as at December 31, 2013, contributions were as follows:

- Seven annual contributions of £24,900 on each December 31, 2014 to 2020.

Collectively hereafter, the defined benefit plans will be referred to as the "Plans".

## GLOBAL MARINE SYSTEMS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 27. Pension commitments (continued)

##### Global Marine Systems Pension Plan - Defined Benefit Section

The Group sponsors a funded defined benefit pension plan, the Global Marine Systems Pension Plan ('the Plan'). The Plan is a multi-employer scheme and the Group is responsible for the Plan liabilities. The disclosures below are in respect of the whole Plan.

The level of benefits provided by the Plan depends on a member's length of service and their salary. The Plan closed to future accrual (but members retain their entitlement to death-in-service and ill-health benefits) on 31 August 2006.

During 2018, a further agreement was reached between the Company and the Trustees documented in a "Side Letter" whereby the regular deficit repair contributions that were deferred to December 2017, would be deferred and paid over three years in installments from 2019 as detailed above. This deferral is on the basis that the Company required cash for further investing and has provided security over assets for this deferment period. The deferral was supported by an independent report documenting the forecast improvement from acquiring the Fugro trenching business unit. The Company has commenced regular contributions from January 2018.

The last funding valuation of the Plan was carried out by a qualified actuary as at 31 December 2019. Additional amounts might also be payable in respect of any profits or dividend distributions made by the Company as per the Recovery Plan, however this (if any) amount is not yet known.

The results of the latest funding valuation at 31 December 2019 have been adjusted to the Balance Sheet date taking account of experience over the period, changes in market conditions and differences in the financial and demographic assumptions. The present value of the defined benefit obligation was measured using the Projected Unit Credit Method.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	<b>2021</b>	2020
	%	%
Discount rate	<b>1.90</b>	1.45
Rate of increase in salaries*	<b>N/A</b>	N/A
Rate of increase in pensions in payment**	<b>3.30</b>	2.80
Rate of increase in deferred pensions**	<b>2.60</b>	2.05
Inflation assumption - RPI	<b>3.40</b>	2.85
Inflation assumption - CPI	<b>2.60</b>	2.05
Mortality assumption***	<b>See below</b>	See below

\* It is not necessary to make an assumption about salary increases as the Plan changed to a CARE arrangement with effect from 1 January 2004.

\*\* The pension increase assumption is that for benefits increasing with RPI limited to 5% per annum, to which the majority of the Plan's liabilities relate.

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 27. Pension commitments (continued)

\*\*\* The mortality assumptions are based on standard mortality tables for onshore members and heavy tables for offshore members both of which allow for expected future mortality improvements. The assumptions are that a member currently aged 60 will live on average for a further 25.0 years if they are male, and for a further 28.1 years if they are female. For a member who retires in 2037 at age 60 the assumptions are that they will live on average for a further 26.5 years after retirement if they are male and for a further 29.4 years after retirement if they are female.

Reconciliation of present value of plan liabilities:

	2021 \$000	2020 \$000
At the beginning of the year	(231,321)	(202,743)
Interest cost	(3,214)	(4,257)
Actuarial gains/(losses)	5,835	(24,132)
Benefits paid	7,949	8,574
Exchange adjustment	2,494	(8,763)
<b>At the end of the year</b>	<b>(218,257)</b>	<b>(231,321)</b>

Reconciliation of present value of plan assets:

	2021 \$000	2020 \$000
At the beginning of the year	244,599	183,902
Interest income	3,402	4,426
Actuarial gains	5,450	22,959
Contributions	-	33,147
Benefits paid	(7,949)	(8,574)
Exchange adjustment	(2,459)	8,739
<b>At the end of the year</b>	<b>243,043</b>	<b>244,599</b>

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 27. Pension commitments (continued)

Compositions of plan assets:

	2021 \$000	2020 \$000
Equities	38,396	18,037
Liability hedging assets	91,884	91,400
Hedge funds	51,124	70,483
Corporate Bonds	39,400	49,881
Property	20,025	11,349
Other	2,214	3,449
<b>Total plan assets</b>	<b>243,043</b>	<b>244,599</b>
	2021 \$000	2020 \$000
Fair value of plan assets	243,043	244,599
Present value of plan liabilities	(218,257)	(231,321)
<b>Net pension scheme assets</b>	<b>24,786</b>	<b>13,278</b>

None of the plan assets are invested in the Company's financial instruments or in property occupied by, or other assets used by, the Company.

As a result of the Company operating the Tonnage Tax regime corporation tax is not related to the movement in profit or losses. Consequently, no deferred tax asset arises on the pension scheme asset.

	2021 \$000	2020 \$000
<b>Amounts recognised in income statement</b>		
Financing cost:		
Interest on net defined benefit asset	(188)	(169)
	(188)	(169)
<b>Pension income recognised in profit and loss</b>		
<b>Amounts recognised in Other Comprehensive Income (OCI)</b>		
Assets gains arising during the year	5,450	22,959
Liability gains/(losses) arising during the year	5,835	(24,132)
<b>Total amount recognised in OCI</b>	<b>11,285</b>	<b>(1,173)</b>

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 27. Pension commitments (continued)

	2021 \$000	2020 \$000
<b>Actual return on plan assets</b>		
Interest income on plan assets	3,402	4,426
Gain on plan assets	5,450	22,959
<b>Actual return on plan assets</b>	<u>8,852</u>	<u>27,385</u>

Merchant Navy Officers Pension Fund

The Company sponsors a funded defined benefit pension plan, the Merchant Navy Officers Pension Fund ('the Plan'). The Plan is a multi-employer scheme and the Company is responsible for only a small part of the overall liabilities. The disclosures below are in respect of the Company's share of the Plan.

The level of benefits provided by the Plan depends on a member's length of service and their average revalued salary.

The last funding valuation of the Plan was carried out by a qualified actuary as at 31 March 2018. Since the plan is now closed to future accrual and no deficit contributions are required to be paid under the current recovery plan, there are no contributions expected in 2020.

The results of the latest funding valuation at 31 March 2018 have been adjusted to the Balance Sheet date taking account of experience over the period, changes in market conditions and differences in the financial and demographic assumptions. The present value of the defined benefit obligation was measured using the Projected Unit Credit Method.

The principal assumptions used by the independence qualified actuaries to calculate the liabilities under FRS 102 are set out below.

	2021 %	2020 %
Discount rate	1.90	1.45
Rate of increase in salaries	N/A	N/A
Rate of increase in pensions in payment*	3.30	2.80
Inflation assumption - RPI	3.40	2.85
Inflation assumption - KPI	2.60	2.05
Mortality assumption**	See below	See below

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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## 27. Pension commitments (continued)

\* The pension increase assumption is that for benefits increasing with RPI limited to 5% per annum, to which the majority of the plan's liabilities relate.

\*\* The mortality assumptions are based on heavy mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 60 will live on average for a further 26.3 years if they are male, and for a further 27.5 years if they are female. For a member who retires in 2037 at age 60 the assumptions are that they will live on average for a further 27.0 years after retirement if they are male and for a further 29.5 years after retirement if they are female.

Composition of plan assets:

	2021 \$000	2020 \$000
Equities	269	348
Liability hedging assets	2,011	2,203
Hedge Funds	339	542
Corporate Bonds	707	599
Property	312	175
<b>Total plan assets</b>	<b>3,638</b>	<b>3,867</b>

	2021 \$000	2020 \$000
Fair value of plan assets	3,638	3,867
Present value of plan liabilities	(3,150)	(3,425)
<b>Net pension asset</b>	<b>488</b>	<b>442</b>

None of the plan assets are invested in the Company's financial instruments or in property occupied by, or other assets used by, the Company.

As a result of the Company operating the Tonnage Tax regime corporation tax is not related to the movement in profit or losses. Consequently, no deferred tax asset arises on the pension scheme asset.

Amounts recognised in income statement.

	2021 \$000	2020 \$000
Operating cost:		
Past service cost	-	-
Administration expenses	7	7
Financing cost:		
Interest on net defined benefit liability	(6)	(8)
<b>Pension expense recognised in profit and loss</b>	<b>1</b>	<b>(1)</b>

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 27. Pension commitments (continued)

Amounts recognised in Other Comprehensive Income (OCI)

	2021 \$000	2020 \$000
Assets (losses)/gains arising during the year	(53)	336
Liabilities gains/(losses) arising during the year	104	(297)
<b>Total amount recognised in OCI</b>	<u>51</u>	<u>39</u>

Changes to the present value of the defined benefit obligations during the year

	2021 \$000	2020 \$000
Opening defined benefit obligation (DBO)	(3,425)	(3,122)
Interest expense on DBO	(47)	(65)
Actuarial gains/(losses) on liabilities	104	(297)
Net benefits paid out	180	192
Exchange adjustment	38	(133)
<b>Closing defined benefit obligation</b>	<u>(3,150)</u>	<u>(3,425)</u>

Changes to the fair value of plan assets during the year

	2021 \$000	2020 \$000
Opening fair value of plan assets	3,867	3,505
Interest income on plan assets	53	73
(Losses)/gains on plan assets	(53)	336
Net benefits paid out	(180)	(192)
Administration costs incurred	(7)	(7)
Exchange adjustment	(42)	152
<b>Closing fair value of Plan assets</b>	<u>3,638</u>	<u>3,867</u>

Actual return on plan assets

	2021 \$000	2020 \$000
Interest income on plan assets	53	73
(Loss)/gain on plan assets	(53)	336
<b>Actual return on plan assets</b>	<u>-</u>	<u>409</u>

**GLOBAL MARINE SYSTEMS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****27. Pension commitments (continued)****Defined contribution pension scheme costs**

Group contributions to the defined contribution type pension schemes including overseas pension arrangements are:

	<b>2021</b>	2020
	<b>\$000</b>	\$000
Global Marine Personal Pension Plan	<b>1,396</b>	792
Global Marine Systems (Guernsey) Pension Plan	<b>1,123</b>	1,123
CWind Personal Pension Plan	<b>289</b>	248
Offshore Personal Pension Plan	<b>16</b>	13
	<u><b>2,824</b></u>	<u>2,176</u>

At 31 December 2021 contributions of \$225,945 were due to be payable to the pension schemes (2020: \$193,214).

**28. Commitments under operating leases**

At 31 December the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group</b>	Group	<b>Company</b>	Company
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>\$000</b>	\$000	<b>\$000</b>	\$000
Not later than 1 year	<b>13,396</b>	11,970	<b>12,788</b>	11,190
Later than 1 year and not later than 5 years	<b>8,889</b>	17,481	<b>7,294</b>	16,633
Later than 5 years	<b>3,627</b>	4,641	<b>3,627</b>	4,641
	<u><b>25,912</b></u>	<u>34,092</u>	<u><b>23,709</b></u>	<u>32,464</u>

Commitments under operating leases includes commitment for land and buildings and others.

## GLOBAL MARINE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 29. Related party transactions

Detail of transactions with the Group during the year and balances outstanding at the year-end are given in respect of the associated undertakings and joint ventures.

Year end 31 December 2021	International Cables Pte Limited	Sino British Submarine Systems Co Ltd	Semba-wang Cable Depot Pte Limited	Flex-service Offshore (HK)	CWind Ltd entities	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Profit and loss account</b>						
Turnover	-	1,570	-	-	-	1,570
Operating costs	-	(2,006)	-	(3,449)	-	(5,455)
Dividend received	(2,228)	(380)	(421)	-	-	(3,029)
<b>Balance Sheet</b>						
<b>Debtors</b>						
Amount owed by joint venture and associate undertakings	-	1,547	-	-	-	(1,547)
<b>Creditors: amount falling due within one year</b>						
Obligations under finance leases	(21,141)	-	-	-	-	(21,141)
Amount owed to joint venture and associate undertakings	-	(2,129)	-	(526)	-	(2,655)
Year end 31 December 2020	International Cables Pte Limited	Sino British Submarine Systems Co Ltd	Semba- wang Cable Depot Pte Limited	Flex- service Offshore (HK)	CWind Ltd entities	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Profit and loss account</b>						
Turnover	-	518	-	-	-	518
Operating costs	-	(160)	-	1,808	-	1,648
Finance lease interest	(770)	-	-	-	-	(770)
Dividend received	(4,166)	(711)	-	-	-	(4,877)
<b>Balance Sheet</b>						
<b>Debtors</b>						
Amount owed by joint venture and associate undertakings	-	327	-	-	326	653
<b>Creditors: amount falling due within one year</b>						
Obligations under finance leases	(16,213)	-	-	-	-	(16,213)
Amount owed to joint venture and associate undertakings	-	(141)	-	-	-	(141)

Key management personnel include a number of directors and senior managers across the Group who form part of the internal leadership team. Together they have the authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation paid to key management personnel for services provided to the Group was \$4,891,000 (2020: \$4,139,598).

## GLOBAL MARINE SYSTEMS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 29. Related party transactions (continued)

During the year the Group made contributions of \$Nil (2020: \$35,232,000) to the Group post employment benefit plan.

The CWind Phantom was chartered during the year to International Ocean Consultant Co. Ltd, a Joint venture partner of CWind Taiwan. Amounts receivable in the year amounted to £125,000 (2020: £Nil). The amount receivable at the Balance Sheet date was £10,000 (2020: £36,308).

The balance owed by CWind Taiwan Ltd at the Balance Sheet date was £53,000 (2020: £239,260).

#### 30. Ultimate parent undertaking and controlling party

The Company's immediate parent company is Global Marine Holdings Limited, incorporated in United Kingdom.

At the Balance Sheet date the ultimate controlling party was JFL Equity investors V, L.P., registered in the United States of America.

JFL-GMG Holdings, Ltd, a company incorporated in the United Kingdom, was the parent of the largest group to consolidate these financial statements as at 31 December 2021. The smallest group in which the results of the Company are consolidated is Global Marine Holdings Limited.

Copies of the consolidated financial statements of Global Marine Holdings Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

Copies of the consolidated financial statements of JFL-GMG Holdings, Ltd are available from the Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.