EthosEnergy

ETHOS ENERGY GROUP LIMITED

GROUP and COMPANY FINANCIAL STATEMENTS

FOR THE YEAR to 31 DECEMBER 2023

Company Registration Number SC454431

Ethos Energy Group Limited

Directors
N Blaskoski
P Leonard
S Conner
G Giovanni
G Angus

Company Secretary
I Jones

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Strategic Report
for the year to 31 December 2023

The directors present their strategic report for the Company and Group for the year to 31 December 2023.

Principal activities

Ethos Energy Group Limited is a limited liability company incorporated and domiciled in Scotland, headquartered at Ethos House, Craigshaw Business Park, Craigshaw Road, Aberdeen, AB12 3QH. The Group also has a corporate office at 3100 S Sam Houston Pkwy, E Houston, TX 77047.

EthosEnergy is a leading independent global service provider of rotating equipment services and solutions to the power, oil & gas and industrial markets. The key services include power plant engineering, procurement and construction; facility operations and maintenance; equipment repair, overhaul, upgrade and life extension; and project decommissioning.

Employing nearly 3,500 people and serving customers in over 80 countries, the Group is focused on materially increasing the life cycle value of customers' assets. The business has depth and experience in asset management and long-term maintenance agreements, whilst offering transactional, factory-based parts and repair services across all industry sectors.

Results

The Group recorded an operating profit of $44.2m, which compares to the operating profit of $26.9m (excluding non-recurring charges of $7.2m), in the previous year. The profit after taxation of the Group for the year to 31 December 2023 amounted to $27.4m compared to the previous year to 31 December 2022, when the profit after taxation amounted to $6.4m.

Review of business

The Group provides repair, maintenance, and overhaul services for energy assets such as gas turbines, steam turbines, generators, compressors and transformers used in the Power Generation, Industrial and Oil & Gas sectors.

Financial performance improved from prior years as the collective business generated record profits for 2023, mainly due to product mix and improved margins. The two 7FA rotors which were sold in 2023 for delivery in 2024 and the backlog to start 2024 is higher compared with prior years, and this supports our budgeted growth aspirations.

The A&D (Aerospace & Defence) segment posted record revenue and EBITDA as we see growth in the Aviation and Military markets coupled with a significant account addition in the aeroderivative market.

Our Top 10 customers accounted for 31.4% of total revenue compared to 32.4% in 2022.

The Company is a holding company that provides corporate support and associated services to its members.

Development and Performance of the business
Growth is expected in 2024 due to similar backlog as 2023 with revenue expected to increase further and demand for our products and services within the market. This gives the directors confidence that performances and margins will continue to improve.

Principal risks and uncertainties

- Failure to deliver expected operational performance could lead to work having to be repeated or liability claims.
  The Group has detailed execution plans and quality programmes for all key contracts supported by close monitoring and reporting of progress to senior management.

- Contracts where inappropriate pricing, misalignment of contract terms, or failure to comply with contractual conditions could lead to poor financial performance.
  There are robust tried and tested processes and procedures in place covering the review and approval of contract pricing, the scope of the contract and the management of risk both in the tendering and execution phases of the contract which are aligned to formal delegations of authority.

- The Group holds inventory and equipment with a view to resale or use within contracts which, if not ultimately sold, may mean that there is an overstatement in the valuation of inventory.
  The control of inventory is an integral part of the business and management monitor its components closely in conjunction with forecasts and supply lead times.

- The Shareholders currently provide financial guarantees to support some of the Group's finance facilities. If these are withdrawn, the Group may have difficulty in securing the level of finance required for the business or will have to pay higher interest rates.
  All funding requirements are monitored closely and the Group will continue to receive support from the Shareholders, including in the refinancing of the Group's finance facilities in 2025.

- The Group has some contracts where the profit is recognized subject to management estimation and assumptions, which if applied inconsistently could result in misrepresentation of contract profits and due to the geographic spread of the customer and supplier base the Group has exposure to foreign exchange risks.
  There are Group wide financial processes in place for managing risk in accounting, treasury, tax and capital expenditure backed by internal audit and quarterly and annual financial risk self-assessments. These contracts are subject to bi-annual or annual contract review meetings. This is complimented by regular budgeting and forecasting processes.

War in Ukraine

The current ongoing war in Ukraine has impacted financial markets throughout the world including the industries that the Group operates in. The Group have looked to manage this impact and currently have minimal activities in Russia or Belarus. The war is part of the reason for high inflation across the world with prices increasing substantially in the year and the Group are looking into ways to manage the exposure of inflation risk to the business.

S172 statement

Details of the S172 statement can be located in the Directors' Report.

Key performance indicators

Management and the directors assess the financial performance of the Group by considering revenue and operating profit as well as the cash flow generation and level of net debt. The directors are satisfied with the Group's performance to date and financial position at 31 December 2023. The KPIs used are

	2023	**2022**
	$m	$m
Revenue	821.0	784.6
Operating profit (excluding non-recurring charges)	44.2	26.9
Cash inflow/(outflow) from operating activities	25.2	(24.8)
Capital expenditure	18.9	11.9
Net Debt (note 21)	81.7	88.5
Total recordable incident rate (TRIR) (Per million hours)	1.6	1.8
Lost time incident rate (LTIR) (Per million hours)	0.3	0.2

In 2023, revenue has increased by 4.6% compared to the prior year with operating profit margin increasing from 3.4% to 5.4%. The Group had considerable higher capital expenditure in the current year, however still generated cash inflow from operating activities resulting in the Net Debt of the Group decreasing compared to the prior year. The total recordable incident rate has reduced with the lost time incident rate slightly increasing.

Approved by the Board and signed on its behalf

G Angus
Director
Date: 15 March 2024

Directors' report
for the year to 31 December 2023

The directors present their report and the audited consolidated financial statements for the year to 31 December 2023.

Results and dividends

The Group is made up of various entities throughout the World including companies that are based in the UK and further details of all the subsidiaries and joint ventures can be found in located in Note 28.

The Group recorded an operating profit of $44.2m, which compares to the operating profit of $26.9m (excluding non-recurring charges of $7.2m), in the previous year. The profit after taxation of the Group for the year to 31 December 2023 amounted to $27.4m compared to the previous year to 31 December 2022, when the profit after taxation amounted to $6.4m.

The Company made a loss excluding investment impairment charges and dividend income of $9.7m in 2023 compared to a 2022 loss excluding dividend income of $7.3m.

There were dividends of $2m paid to shareholders in the year (2022: $4.0m).

Research & Development

The Group invests in developing new and improved technologies and in the year spent $0.4m (2022: $0.1m) on such activities. It is expected that this level of investment will continue in the forthcoming year.

Directors

Directors who served during the year and at the date of this report were as follows:

N Blaskoski	
A Dinozzi	Resigned 31 December 2023
P Leonard	
S Conner	
G Giovanni	
G Angus	Appointed 31 December 2023

Company Secretary

I Jones

No director had a direct interest in the shares of the Group. (2022: nil)

The Company has made qualifying third party indemnity provisions throughout the year for the benefit of its directors. These remain in force at the date of this report.

Donations

During the year the Group made charitable donations of less than $0.1m (2022: less than $0.1m). It is the Group's policy to support charitable organisations in the communities where its businesses are located or with which employees or close relatives of employees are directly involved.

No donations were made to any registered political party nor were any political expenses incurred during either 2023 or 2022.

Employees

At 31 December 2023, employee numbers were 3,484 (2022: 3,488). The Group places a strong emphasis on engaging and supporting employees so they can perform to the best of their abilities and draw satisfaction from working in the Group. They are an integral part of the Group's ethos and help us in shaping the culture of our organisation.

Our global internal communication platform includes the EthosEnergy portal where employees can easily access information about their company and Human Resources services available to them and the Group regularly issues communications and videos providing employees with updates on the Group.

The Group Human Resource Department is responsible for promoting and implementing Group-wide best practices and the Group supports and endorses the principle of Equal Employment opportunities for all employees, applicants, contractors, vendors, and customers.

Employment of disabled persons

The Group gives full consideration to applications for employment from disabled persons where the candidate's aptitudes and skills meet the requirements of the job. The Group is committed to providing equal opportunities to disabled persons and affords them the same career development opportunities as are available to other employees.

If employees become disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Health, safety and the environment (HS&E)

The Group strives to build and sustain a safe working environment for our employees, free from accidents or incidents. It is equally important to also build and sustain a conscious approach of becoming a responsible corporate citizen by minimizing the adverse effects which our business activities may have on the community and environment.

The Group fulfils these business values by ensuring:

- Leaders at all levels place HS&E at the top of their agenda
- Leaders implement, maintain and contribute to the improvement of the Group HS&E Management System
- Risks are routinely identified, mitigated and controlled
- Clear annual objectives are established and performance against them is measured
- It understands and complies with legislative and industry requirements
- People are trained to improve their knowledge and skills
- Incidents are monitored and investigated, with action taken to prevent recurrence
- Those who work with the Group meet our standards
- Leaders perform regular reviews of the program, historical data, and other information to develop improvements to the HS&E Management System and the workplace environment.
- Employees are involved in our HS&E program and our communications on HS&E are transparent and inclusive

Directors' report (continued)
for the year to 31 December 2023

Corporate social responsibility (CSR)

The Group is committed to be a socially responsible organisation. To achieve this, the Group adheres to the EthosEnergy beliefs that take account of the economic, social and environmental impact of all aspects of the business. People are the Group's business and their health and safety is its greatest responsibility. Taking that responsibility seriously means extending it to the communities where the Group works and where our employees live.

Our Ethos
Every Group employee strives to work abiding by Our Ethos beliefs. Our Ethos is how the Group is defined and communicates with its customers and employees. We have a one team culture. Our Ethos is defined in five elements and these are depicted as five turbine blades in our logo.

Our Ethos defined
Safety - creating a culture where all our people are protected from danger, risk or injury, being constantly aware of the working environment, having people who always look out for each other, providing our people with the knowledge, tools and training to recognize hazards, and prevent accidents.

Service Excellence - meeting or exceeding the expectations of our internal and external customers, the systematic approach to delivering EthosEnergy business requirements, embodying a culture of innovation and continuous improvement to deliver customer value add and satisfaction over the long term.

People - a team that is united by a common culture and feels a sense of belonging striving to perform at the highest levels to achieve success through a shared set of beliefs, sharing a mutual respect and feeling of being valued.

Financial Responsibility - managing our assets and risks in a productive manner that is in the best interests of the Group and customers, creating value for our stakeholders by ensuring we manage our cash and costs effectively, whilst getting paid a fair price for work performed and providing timely and accurate financial information.

Integrity - the quality of being honest and having strong moral principles, doing the right thing, being accountable and acting in a responsible way as a Group representative, displaying internal consistency and a lack of corruption.

Financial Risk management - The Company and Group borrow in different currencies and enter into forward currency contracts to manage currency risks from their operations.

Further details on financial risk management are included in note 16.

Substantial Shareholdings - The Company is ultimately 51% owned by John Wood Group PLC a company listed in the UK and 49% by Siemens Energy Global Gmbh & Co. Kg. a company listed in Germany. Certain significant decisions require unanimous consent from both shareholders and as a result no shareholder has overall control and the business is treated as a joint venture by both shareholders.

Transactions with the shareholders and their affiliates are disclosed in note 15.

Corporate Governance
The Governance of the Group is set out in a formal Operating Agreement. The Group has established its own policies and procedures as well as adopting the pre-existing processes from the shareholders where appropriate. The Group has appropriate internal controls and risk management programs which are subject to shareholder review.

The Companies (Miscellaneous Reporting) Regulations 2018 introduced new statutory reporting requirements for financial years beginning on or after 1 January 2019. Although the Group does not exceed the requirement thresholds, the directors of EthosEnergy have decided to provide a statement in the Report of the Directors stating which corporate governance code if any, EthosEnergy Group followed during the year, how it applied the code and any part of the code it did not follow.

Directors' report (continued)
for the year to 31 December 2023

For the financial year ended 31 December 2023, Ethos Energy Group Limited has chosen to report against the Wates Corporate Governance Principle for Large Private Companies, published by the Financial Reporting Council (FRC) in December 2018 and available on the FRC website (the Wates Principles). The disclosures below explain how Ethos Energy Group Limited has reported against the Wates Principles in the context of its corporate governance arrangements.

Purpose and leadership

EthosEnergy Group's purpose is established by the Board of Directors who provide governance to the CEO and the leadership team. The CEO and executive leadership team continued to implement the new strategy introduced in 2020. The Board continue to be in full support of the transformation. The CEO and executive leadership team spend significant time on strategic development and planning. They determine the leadership of the Group and continually look into ways to further enhance the performance of the Group.

Board Composition

The Board has currently five directors, comprising the Chairman and four other Directors. The names of the current directors and the secretary are shown on page 2.

The Board considers that the Chairman was independent on appointment and individual directors' continuing contribution to Ethos Energy Group Limited are considered at least annually.

The role of the Chairman is to lead the Board and ensure its overall effectiveness. This is distinct and separate from that of the Chief Executive Officer (CEO) who manages the business day to day.

All directors receive accurate, timely and clear information on relevant matters and have access to the advice and services of the Company Secretary.

The Board is structured to ensure that the directors provide Ethos Energy Group Limited with the appropriate balance of skills, experience and knowledge as well as independence. A number of the directors have substantial experience in the industry and this experience brings various insights on how the Group should perform.

The Board monitors the commitment of the Chairman and directors and is satisfied that they are able to allocate sufficient time to enable them to discharge their duties and responsibilities effectively. Any additional external appointments require prior Board approval.

Directors' responsibilities

All directors receive guidance on their statutory duties under the Companies Act and are supported in the discharge of their duties by the Company Secretary.

The Board is the main decision-making forum for Ethos Energy Group Limited. The Board is collectively responsible for the long-term success of Ethos Energy Group Limited and the delivery of sustainable value to its shareholders. The Board's role is to provide leadership to the Group, monitoring and maintaining the consistency of the Group's activities.

The Chairman, CEO and Company Secretary are responsible for the quality and integrity of information provided to the directors. At each scheduled Board meeting the directors receive reports from the CEO, which are prepared by the CEO and the leadership team as appropriate and these members may attend certain Board meetings to provide an opportunity for the Board to engage directly with management on key issues and supports succession planning.

There are quarterly Board meetings each year where the CEO will present the Group's current financial position, as well as, at the appropriate time each year, the annual budget for the forthcoming year which will be reviewed and approved by the Board. In between these meetings the CEO is in regular contact with the Board, with calls occurring to discuss key specific matters as appropriate.

Opportunity and risk

The role of the Board is to promote the long-term sustainable success of Ethos Energy Group Limited.

The Group's risk strategy is informed and shaped by an understanding of the risk landscape including a range of significant risks and uncertainties in the external economic, political and regulatory environments.

The Board regularly review and identify potential opportunities that will help create and preserve the value of the Group as well as considering any potential risks or issues that may arise which could prevent the continued success of the business.

Remuneration

Executive remuneration structures incentivise individuals to deliver sustainable performance based on strategic objectives for the Group. The approach to performance management provides clarity to employees about how their contribution links to the Group's ambition and all employees have goals set against different measures. The Group continues to ensure employees are paid fairly for the work they do, and the pay is periodically compared against the external market to ensure that it is competitive.

Stakeholders

For details of the Board's engagement with the different stakeholders see below in the S172 statement.

S172 statement

This section serves as our section 172 statement and should be read in conjunction with the Strategic report on pages 3 to 5. Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the Group and Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Group's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

The S172 statement looks into the key matters as noted below:

- Likely consequence of any decision in the long term
- Employee engagement (including work performed for safety for COVID)
- Stakeholder and shareholder engagement
- Community and the environment
- Impact of strategic decisions

Likely consequence of any decision in the long term

The Directors understand the business and the evolving environment in which we operate. Based on EthosEnergy's purpose 'to make energy affordable and available for everyone, everywhere', the strategy set by the Board is intended to strengthen our position as a leading Independent Service provider of rotating equipment supporting the Power Generation, Industrial and Oil and Gas sectors while keeping safety and social responsibility fundamental to our business approach.

In 2020, the Group strategy was transformed creating 'OneEthos' to help achieve its strategic ambitions and become more self-reliant and a nimbler organisation. This restructure resulted in the Group becoming more focused, allowing for greater co-ordination and teamwork to occur in order to combat the effects of the COVID-19 pandemic and to improve the performance of the Group in certain areas. This transformation has continued to provide numerous benefits to the Group in the current year including further development in the ESG program where there is one overall committee with three sub-committees in place and allowing the Group to align effectively against the impact of the war in Ukraine.

Given the complexity of the energy sector, the Directors have taken the decisions they believe best support EthosEnergy's strategic ambitions.

S172 Statement (continued)

Employee engagement

Our employees are fundamental to the delivery of EthosEnergy's services and therefore to the long-term success of the business. It is important to develop our employees and keep them engaged and motivated. We engage with our workforce so that we can understand and address areas where we need to improve to ensure we deliver rewarding careers and retain our talented people.

Regular contact is provided by the leadership of the Group providing updates on the business performance including significant contract wins, recognising the crucial performance of individuals within the business and detailing the various actions that have been carried out as the ESG framework has been rolled out.

In 2023, 'Development month' was continued due to the success in 2022, which encourages employees to commit to performing actions that broaden their personal, professional skills and knowledge as well as their wellbeing by attending different presentations and workshops and working with both teammates and external individuals.

In the current year, EthosEnergy launched 'EthosEnergy Global Project Management (PM) Academy, for specific teammates serving in project leadership, providing a common basis and working environment for Project Managers to ensure the Group a building a structured learning foundation with the same core competencies throughout the business globally.

Stakeholder and shareholder engagement

The Board regularly reviews our principal stakeholders and how we engage with them. The stakeholder voice is brought into the boardroom by regular reporting from our CEO, CFO, and Heads of HSSE (Healthy, Safety, Security & Environment), HR and Legal and the Strategic Business Unit Leaders. The company has identified 5 Ethos principles (Safety, Service Excellence, People, Financial Responsibility and Integrity), as its driving principles. The Group have identified employees, shareholders and lenders, customers and suppliers as the principal stakeholders in the business. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

The Group understands the importance that our shareholders have confidence in the Group, how it is managed in its strategic objectives to ensure the Group has a stable and long-term performance for the shareholders. Details of the work performed by the leadership of the Group in relation to shareholder engagement can be located within the Corporate Governance section above.

The Executive Leadership team and other employees are in regular contact with the lenders to the Group, ensuring they are provided with the up-to-date financial performance information and there are opportunities to discuss any specific areas. This includes any recent meetings with regards to the renewal of the bank facilities for the Group until July 2025.

The Group's long-term success is underpinned by our customers and the delivery of predictable project outcomes that are aligned to our customers' requirements. To deliver a great service, we listen to our customers to make sure we are leveraging the full capabilities of our organisation, our global reach and technical depth. This insight from customer engagement helps to inform the Group's operational, business development and long-term strategic direction.

EthosEnergy also recognise the key role suppliers play in ensuring that EthosEnergy provide a high-quality service to their customers and the Group aims to maintain the strong relationships with their suppliers. The 'OneEthos' restructure has helped to build on these relationships with focused targets being provided by supply chain and understanding the full range of services that can be provided by our suppliers.

S172 Statement (continued)

Stakeholder and shareholder engagement (continued)

Third party suppliers are one of the key aspects defined in the ESG framework as EthosEnergy is continually monitoring the third party supplier spend by country and region including transactions with small businesses, minority owned businesses and disadvantaged owners. This monitoring allows for EthosEnergy to work with our suppliers to ensure good relations are maintained as well as recognising the Group's responsibility to other businesses.

EthosEnergy has worked closely with both its customers and suppliers to ensure services were still continually being provided when it was possible. This regular contact and close working with both customers and suppliers have helped to maintain the strong relations, generating positive feedback especially with customers, highlighting excellent performances and processes which the Group will look to maintain and enhance even further in the future with the wider customer base.

Community and the Environment

EthosEnergy as a large organisation recognises its duty to help both the community and the environment across the various locations the Group operates in. The Group has considered the positive actions it can perform in order to benefits these stakeholders and is continually challenging itself to make energy affordable and available for everyone.

Throughout the last two years, the Group have been progressing on the Environmental, Social and Governance (ESG) framework in order to build growth, financial sustainability and deliver long-term value through effective engagement with all stakeholders including the community and environment. The ultimate vision for the ESG framework is to fulfil our purpose; making energy available and affordable for everyone everywhere, thereby supporting the sustainability of the world and ensuring the needs of future generations are not compromised by actions we take today.

The Framework targets a number of wide-ranging initiatives however the Group is specifically focusing on six key areas to launch the ESG journey and these are:

- Environmental Stewardship
- Engineering Solutions
- Inclusion and Diversity
- Policies and procedures
- Alliances and partnerships
- Third party suppliers

- We have made great progress over the years holding a high standard on environmental compliance and we already undertake many environmental activities in the company globally. Environmental stewardship is a focus area for us. We plan to quantify our global carbon footprint and establish future reduction strategies and targets.

- Engineered Solutions: As we look to double our business in the next 3 years, we will be challenging ourselves to invest in and develop more sustainable engineering solutions, this may include further technology efficiency improvements, doing more in alternative energy, or investing in clean fuel solutions. Different aspects of the work performed so far can be found in the Streamlined Energy and Carbon Reporting (SECR) section.

- I&D (Inclusion and diversity) is an important component of the social dimension of ESG. The Inclusion and Diversity Council, which was introduced in 2020, is responsible for enforcing the equal opportunities policy within EthosEnergy ensuring all employees are treated in a fair and consistent manner and not to discriminate unlawfully. EthosEnergy recognises Internation Women's Day as a key date in the calendar with the key theme of embracing equity to create an inclusive world which aligns strongly with the Group's own commitments and behaviours.

S172 statement (continued)

Community and the Environment (continued)

- We are also focusing on our existing structure of governance. We want to review and update all of our systems, policies, and procedures to ensure they align and support our sustainability journey.

- Given our extensive geographic reach, we will continue to look for opportunity to establish alliances and partnerships including potentially in developing or underdeveloped countries. The Group acknowledges its responsibility to the wider community, recognising the knowledge and experience its experts bring is the backbone of the business development and therefore priorities collaboration efforts with local education institutions where employees will assist students across the World in order to build technical skills for the future.

- We also aim to improve our governance by holding all our suppliers around the world to our standard of integrity. A new supplier due diligence program was implemented in 2021.

Throughout the year, there has been a number of environmental and social community outreach activities initiated including working with customers to ensure power stations in Ukraine are performing efficiently during the current conflict and aid in the rebuilding of the critical infrastructure, working with a local paper mill in Latin America to keep up with increased power generation needs however ensuring maintenance levels were not rising at same level with fully refurbished equipment being used, completing the restoration of two of the largest steam turbines in Pakistan to significantly contribute to the stability of the country's power supply as well as recognising specific days such as World Environment day where some employees gifted trees and plants to friends and family and International Volunteers Day where teammates all around the World assist in various functions to better the local community.

Educating younger generations is pivotal and one site hosted a visit to a local primary school allowing the students to learn about clean, gas-fired power generation from a first-hand perspective whereas various other employees took part in charity fundraising to raise awareness of child abuse, assisting in local food banks, assisting in the cleaning up of local environments throughout the World and there were donations of office furniture to local primary schools. Further efforts performed by EthosEnergy to create a sustainable environment for all can be located within Streamlined Energy and Carbon Reporting (SECR) below.

Impact of Strategic decisions

The 'OneEthos' structure now utilised by EthosEnergy has allowed for the leadership to of the Group to be transformed, bringing in talent and expertise that has benefited both the short and long term success of the business.

Streamlined Energy and Carbon Reporting (SECR)

Ethos Energy Group Ltd (UK entities), comprised of EthosEnergy (GBR) Limited and EthosEnergy Light Turbines Limited, following the introduction of the streamlined energy and carbon reporting requirements will publish our energy consumption and associated carbon emissions in our annual report. In previous years Ethos Energy Group as stand-alone company did not meet any of the relevant criteria, nor did any of the UK subsidiaries, and so this will be the first year of SECR disclosures.

The environment is continually facing challenges every day across the World and EthosEnergy Group Limited recognises its responsibility in addressing global challenges such as climate change, resource depletion, and environmental protection. Our focus areas and actions are aligned with our vision of making energy affordable, available, and sustainable globally. We are committed to creating a safe and sustainable work environment with a minimal carbon footprint, striving to prevent accidents and incidents.

As part of the leadership of the Group, the Board of Directors provide governance to the CEO and the Executive Leadership Team, and this resulted in the ESG programme being created in 2022. The ESG committee is made up of one overall committee with three sub-committees each tasked with focusing on a specific element – Environment, Social and Governance.

Streamlined Energy and Carbon Reporting (SECR) – continued

These details are regularly shared through presentations in global meetings as well as to the overall ESG committee which includes the CEO and the heads of the other sub-committees. These meetings allow for management to review the current performance of the Group in addition to reviewing the overall Group strategy, assessing any new climate-related potential risks and opportunities.

The Group has identified four key areas of focus which can be implemented in the short term by performing certain specific actions as well as in the long term where these actions will result in a safe and sustainable work environment:

- Products and services - We assess the environmental impact of products, analyzing from manufacturing to end-of-life. This evaluation helps identify key areas for improvement, guiding our product and operational redesign for increased sustainability. Our objective is to contribute to environmental preservation by adhering to circular economy principles, minimizing resource consumption, and reducing negative environmental effects.
- Energy consumption and GHGs - We foster an innovative culture and continuous improvement to ensure long-term customer satisfaction, business sustainability, and growth. Our focus includes prioritizing energy efficiency, optimization, and minimizing unnecessary energy consumption to decrease our environmental footprint.
- Water - Recognizing water as a crucial resource, we strive to monitor and enhance water management. Our goal is to implement targeted strategies to optimize water usage, particularly in high-risk areas.
- Materials chemicals & waste - We are dedicated to environmental preservation, with a focus on careful management of chemicals and hazardous substances. Additionally, we promote resource conservation through the encouragement of reuse, recycling, and minimizing landfill waste.

The Group have introduced 'EcoView' which is a pioneering solution enabling customers to fully understand the environmental impact of their equipment, from global warming potential to acidification. Ethos' Life Cycle Assessment gives customers the visibility to make informed equipment choices, align with energy transition requirements and comply with carbon emissions targets and ESG goals.

Developed in partnership with leading scientists, our new CO2 monitoring tool provides comprehensive environmental insights across each phase of the lifecycle, quantifying with clarity the carbon and financial reductions you can make from Rotor Lifetime Extension (LTE) compared with purchasing new. Scientific studies have shown carbon emission savings and abiotic depletion of up to 40% from Rotor Life Extension (LTE).

The Group has also introduced ECOMAX, which is a combustion tuning platform providing an automated, fully customisable solution to achieve customer-determined operational objectives. This patented technology continually monitors and adjusts key combustion control parameters to maintain NOx and CO2 compliance, flame stability, and acceptable combustion dynamics.

ECOMAX operates using real time continuous operational data therefore Combustion Dynamics Monitoring Systems (CDMS) and Continuous Emissions Monitoring Systems (CEMS) are required. The system allows for plant operators to control their plants without third party input and specific plant operating information can be housed and adjusted on site.

ECOMAX allows for our customers to reduce their carbon footprint as well as generating cost savings with one example resulting in substantial gains on performance, a cumulative 70,000+ MWs per year, reduced fuel consumption and considerably reducing emissions by 27,000 ton per CO2 reduction.

Ethos Energy Group Limited

Directors' report (continued)
for the year to 31 December 2023

Streamlined Energy and Carbon Reporting (SECR) – continued

The introduction of these two products allows our customers to gauge their current environmental performance and highlight areas of potential improvement by allowing them to track the emissions their plants are producing. This will therefore allow them to identify specific KPIs as well as providing appropriate targets for the future which can be incorporated into their ESG programs.

The emissions reported include EthosEnergy (GBR) Limited and EthosEnergy Light Turbines Limited combined:

Energy use type	FY2023 consumption (kWh)	FY2023 emissions (tonne CO_2 equivalent)
Natural Gas	2,448,062	521.8
Company vehicle fuel	108,197	25.9
LPG	5,277	1.3
Total Scope 1	**2,561,536**	**548.9**
Electricity use in buildings	843,461	174.7
Total Scope 2	**843,461**	**174.7**
Business travel	73,772	17.1
WTT	3,404,998	135.8
T&D	843,461	15.1
Total Scope 3	**4,322,231**	**167.9**
Total	**7,727,228**	**891.5**

	Emissions per turnover FY2023 (tonne CO_2 equivalent per £million)	Emissions per UK FTE FY2023 (tonne CO_2 equivalent per FTE)
Scope 1 and Scope 2	9.91	12.22
Total emissions	2.99	3.68

Directors' report (continued)
for the year to 31 December 2023

Streamlined Energy and Carbon Reporting (SECR) - continued

EthosEnergy Group Limited is made up of a number of different product lines with some areas specifically constructed to consider extending life cycles of customer products. By repairing specific parts or generating certain conditions, this allows for the life cycles to be extending which in turn generates less scrappage and also results in less new products needing to be created which utilises different environmental resources.

Energy efficiency action taken
EthosEnergy (GBR) Limited have continued to undertake actions to improve the energy efficiency of our sites. This includes.

- Installation of a new vacuum furnace in Aerospace & Defense, which is more efficient than the old furnace.
- Regulation of temperatures within office areas, helping to reduce heat demand, by installing remote temperature sensors in accessories & components office spaces.
- Acquisition of 3T electric forklifts, replacing the gas powered 5.5T forklifts trucks which helps to electrify and reduce emissions from operational vehicles.
- In Worchester replacing 3kW water boilers with 1.5kW boiling water taps.

EthosEnergy Light Turbines Limited have continued to undertake actions to improve the energy efficiency of our sites. This includes the installation of LED lighting at our Aberdeen and Lincoln sites. Motion sensor lights have been installed in all workshops at Aberdeen. This will help to reduce electricity consumption at these sites.

Methodology used for carbon footprint calculation
Our carbon footprint has been calculated using a methodology aligned with the principles of the Greenhouse Gas Protocol (GHG) Standard for Corporate Accounting and Reporting produced by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) – a globally recognised standard. The GHG Protocol Standard is one of the recommended methodologies under SECR guidelines. The footprint utilises UK Government conversion factors for the year of reporting. For energy use where figures were not already in kWh these have been converted using their density and Gross calorific value taken from the UK government GHG conversion factors fuel properties tab for the year of reporting. For owned vehicles this was based on the conversion factors for diesels and for cars where the fuel type was unknown an average of petrol and diesel.

The data captured within this year's carbon footprint calculation has predominantly been derived from invoices from energy suppliers. Carbon emissions emitted from vehicles owned by EthosEnergy (GBR) Limited and EthosEnergy Light Turbines Limited have been calculated based on the total number of miles driven by each vehicle and for car use, where fuel is reimbursed mileage, has been captured through expense claims.

EthosEnergy Task Force on Climate-related Financial Disclosure 2023

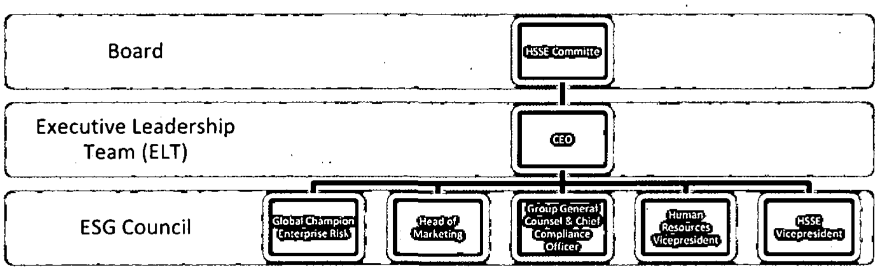
The table below illustrates Ethos Energy's current alignment with governance, strategy, risk management, and metrics & targets requirements according to the Task Force on Climate-related Financial Disclosures (TCFD) and the UK Climate-related Financial Disclosure (CFD) regulation for FY23. It also details the improvements EthosEnergy intends to make during this year that will be mentioned in the FY24 reporting next year. EthosEnergy has partnered with a third-party environmental consultancy, to support enhancing our TCFD disclosure for next year's reporting. This will involve: the identification of climate-related risks and opportunities, stakeholder engagement, conducting scenario analysis, assessing the business impact, and the identification of potential resiliency responses to minimise the risks and take advantage of the opportunities.

Directors' report (continued)
for the year to 31 December 2023

EthosEnergy Task Force on Climate-related Financial Disclosure 2023 – continued

How we Align	Future Improvements for FY24
Governance	
Ethos Energy's governance structure ensures robust oversight of climate-related issues, aligning with our commitment to sustainable practices and responsible corporate citizenship. The Board of Directors maintains oversight of climate-related risks and opportunities, receiving periodical updates from members of the dedicated Environmental, Social, and Governance (ESG) committee. Chaired by the Head of Marketing, and composed of the Vice President of HSSE, the Vice President of HR, and the Group General Counsel and Chief Compliance Officer, the ESG committee convenes quarterly to comprehensively manage and assess, among others, climate-related matters, ensuring alignment with our strategic objectives and regulatory requirements. This governance framework fosters transparency, accountability, and informed decision-making, driving our proactive approach to addressing climate-related challenges and seizing opportunities for sustainable growth.	• We plan to deliver three targeted climate education sessions for our Senior Level Management emphasizing on the importance of climate-related issues for Ethos Energy. These sessions will empower our leadership team with the knowledge and tools necessary to integrate climate considerations into strategic decision-making processes, ensuring alignment with our long-term objectives. • We intend to set up a more structured and formalized process by which the Board is informed about climate-related risk and opportunities and increase the frequency to bi-annually as opposed to periodically. This will include receiving recommendations about the effectiveness of management's plans on climate action and progress against priorities.

Figure 1 Governance Structure



EthosEnergy Task Force on Climate-related Financial Disclosure 2023 – continued

How we Align	Future Improvements for FY24
Strategy	
Ethos Energy recognises the importance of integrating climate considerations into our strategic decision-making processes to capitalize on emerging opportunities and mitigate potential risks. The current principal risk identified for EthosEnergy relates to physical risks to our operations and facilities. In parallel, we have identified promising opportunities in offering lower emissions products and services, such as hydrogen technologies and NOx and CO2 compliance solutions. We acknowledge the need for a comprehensive assessment of their business impact of both risks and opportunities. To this end, we are committed to conducting scenario analysis to better understand the potential implications of climate-related risks and opportunities on our operations, financial performance, and long-term sustainability in the short, medium, and long-term time horizons. This proactive approach will enable us to refine our strategy, prioritise investments, and capitalise on opportunities for innovation and growth in a rapidly evolving market landscape.	• We have partnered with third-party environmental consultancy to complete the next stage in our evaluation of relevant climate-related risks and opportunities for our business through desktop analysis and stakeholder engagement. • Climate-related risks and opportunities will be assessed based on our business sensitivity and adaptive capacity to identify the 'material' risks and opportunities relevant to our business. This approach will enable us to prioritise our efforts and resources effectively. • We will conduct a climate scenario analysis, aligned with the TCFD requirements, to comprehensively assess the associated business impact that the risks and opportunities can have over the short, medium, and long term and use this to inform our financial planning. The time periods to which the risks and opportunities are assessed will be determined based on the relevance to our business operations. • We will also work to identify potential resiliency responses to mitigate and adapt to the risk and take advantage of the opportunities. We plan to complete this work by Q3 2024.

EthosEnergy Task Force on Climate-related Financial Disclosure 2023 – continued

Risk Management

How we Align

Led by the Global Champion of Enterprise Risk Management, our risk management framework is designed to proactively identify, assess, and mitigate potential risks to ensure the resilience of our operations.

The effective management of risks, particularly those arising from extreme weather events, natural catastrophes, and emerging regulatory requirements, is integral to our business operations.

Working in collaboration with our international insurance and loss prevention provider, FM Global, we conduct comprehensive risk assessments to identify potential threats to our business continuity.

The Global Champion of Enterprise Risk Management provides oversight of our enterprise risk management activities, including the development and implementation of the risk improvement plan.

This plan is continually evaluated and refined to address emerging threats and vulnerabilities. Regular monitoring and reporting mechanisms are in place to track the effectiveness of risk mitigation measures and to ensure timely responses to changing conditions.

Future Improvements for FY24

- We aim to enhance the resilience of our operations and strengthen stakeholder confidence in our ability to deliver our products and services by proactively identifying climate-related risks.
- We will work to incorporate the material climate-related risks into our overall risk register.
- We intend to assign key personnel to manage the appropriate climate-related risks to ensure continuous monitoring and action is being taken to mitigate the risks.
- We are committed to continuous improvement in our risk management practices, leveraging insights from our consulting partner to ensure our business remains responsive to the evolving landscape of climate change risks.

Metrics and Targets

How we Align

EthosEnergy has taken initial steps to measure and manage our carbon footprint by calculating our global scope 1 and 2 emissions for the year 2023.

This baseline data will serve as a reference point for tracking progress and benchmarking against future performance.

Our calculation methodology adheres to the GHG protocol, ensuring consistency and transparency in reporting. In addition to carbon emissions, we also record water and energy usage.

We have appointed a dedicated sustainability specialist who is driving improvement in data management and plays a crucial role in analysing and reporting sustainability-related data.

While our current focus is on scope 1 and 2 emissions, we acknowledge the importance of addressing scope 3 emissions to comprehensively assess our environmental impact.

Future Improvements for FY24

- As part of our commitment to sustainability, we are actively considering the establishment of decarbonization targets to guide our efforts towards reducing emissions across our operations and value chain.
- We intend to begin working on calculating our scope 3 emissions using the spend-based method to help inform our future decarbonisation journey.
- We aim to set decarbonisation targets for 2025 when we have completed our 2024 carbon emission calculations for scopes 1 and 2 to allow for comparative analysis.

Ethos Energy Group Limited

Statement as to disclosure of information to auditor

The directors who were members of the Board at the time of approving this report are listed on page 2. Having made enquiries of fellow directors and of the Group's auditor, each of these directors confirms that:

- to the best of each directors' knowledge and belief, there is no information (that is, information needed by the Group's auditor in connection with conducting the audit) of which the Group's auditor is unaware, and

- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditor is aware of that information.

Going Concern

The Group meets its working capital requirements through its bank facilities, including the Group's Revolving Credit Facility which is up for renewal in July 2025.

The Group monitors its funding position throughout the year to ensure it has access to sufficient funds to meet its forecast cash requirements by regularly producing forecasts to give management's best estimates of forward liquidity, leverage and forecast covenant compliance.

After the year end, Wood Group PLC announced that they are looking into potentially selling their share in EthosEnergy Group Limited however this is an ongoing process and the facilities available to Group are not impacted by this announcement. Accordingly, the financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through the income statement.

Future Developments

While markets remain challenging, the Group has continued to secure additional backlog work for 2024 and further success is expected with increasing demand for our services. Our opportunities pipeline is strong to start the year with ~$4.2B (up 14% year over year), with $3.2B of that expected to be awarded in 2024 (excluding any bids abandoned which historically has been 47% of the pipeline). Our total backlog is flat at $1.4B for all future years. However backlog to start 2024 is up $42m or 9% supporting our budgeted growth.

Independent auditor

The auditor, RSM UK Audit LLP, has indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed.

Approved by the board and signed on its behalf

G Angus
Director
Date: 15 March 2024

Statement of directors' responsibilities in respect of the financial statements
for the year to 31 December 2023

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and company financial statements in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The group and company financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position of the group and the company and the financial performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 group and company 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;
- state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the board and signed on its behalf

G Angus
Director
Date: 15 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ETHOS ENERGY GROUP LIMITED

Opinion

We have audited the financial statements of Ethos Energy Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated and company balance sheets, consolidated and company statement of changes in equity, consolidated and company cash flow statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ETHOS ENERGY GROUP LIMITED (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 21, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ETHOS ENERGY GROUP LIMITED (continued)

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditors:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are UK-adopted international accounting standards, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety, environmental policies and regulations and regional operational compliance regulations. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these laws and regulations and inspected the group and component's internal policies and procedures, internal meeting minutes and monitoring reports as well as correspondence with regulatory authorities, where applicable.

The group audit engagement team identified the risk of management override of controls and recognition of revenue as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in relation to management override of controls included but were not limited to testing manual journal entries and other adjustments, assessing whether the judgments made in making accounting estimates are indicative of management bias and evaluating the business rationale in relation to significant, unusual transactions. Audit procedures performed in relation to recognition of revenue included but were not limited to testing the design of controls in relation to the completeness, accuracy and existence of revenue, reviewing a sample of transactions throughout the period to assess whether they were correctly recorded, including a sample specifically around year end for cut-off and testing a sample of contracts to ensure that revenue had been recognised in line with performance obligations.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the consolidated financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our group audit approach.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ETHOS ENERGY GROUP LIMITED (continued)

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

Use of our report

This report is made solely to the 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.

K Morrison

Katie Morrison (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

Date: 15/03/24

Ethos Energy Group Limited

Consolidated income statement
for the year to 31 December 2023

	Note	2023	2022
		$m	$m
Revenue from contracts with customers	1	821.0	784.6
Cost of sales		(703.8)	(692.4)
Gross profit		117.2	92.2
Administrative expenses		(86.2)	(78.2)
Non-recurring administrative expenses	5	-	(7.2)
Share of profit from joint ventures	9	13.2	12.9
Operating profit		**44.2**	**19.7**
Finance expense - net	2	(11.6)	(7.4)
Profit before taxation	3	**32.6**	**12.3**
Income tax expense	4	(5.2)	(5.9)
Profit for the year attributed to owners of the parent		**27.4**	**6.4**

The Company has elected to take the exemption provided under section 408 of the Companies Act 2006 not to separately present the parent company profit and loss account. The Company recorded a loss excluding impairment charges and dividend income of $9.7m (2022 loss excluding impairment charges and dividend income of $7.3m).

The notes on pages 32 to 69 are an integral part of these financial statements.

Ethos Energy Group Limited

Consolidated statement of comprehensive income
for the year to 31 December 2023

	2023 $m	2022 $m
Profit for the year	27.4	6.4
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Re-measurement (losses)/gains on retirement benefit obligations	(0.2)	0.9
Total items that will not be reclassified to profit or loss	(0.2)	0.9
Items that may be reclassified subsequently to profit or loss		
Exchange movements on retranslation of foreign currency net assets	5.1	(10.3)
Total items that may be reclassified subsequently to profit or loss	**5.1**	**(10.3)**
Other comprehensive income/(expense) for the year, net of tax	**4.9**	**(9.4)**
Total comprehensive income/(expense) for the year attributable to owners of the parent	**32.3**	**(3.0)**

Exchange movements on the retranslation of net assets would only be subsequently reclassified to profit or loss in the event of the disposal of a business.

The notes on pages 32 to 69 are an integral part of these financial statements.

Ethos Energy Group Limited

Consolidated and Company Balance Sheets
As at 31 December 2023

		Group		Company	
		2023	2022	2023	2022
	Note	$m	$m	$m	$m
Assets					
Non-current assets					
Goodwill and intangible assets	6	15.1	12.7	1.5	1.5
Property plant and equipment	7	50.3	38.2	-	-
Right of use assets	8	40.7	47.6	-	-
Finance lease receivable	8	-	0.2	-	-
Investments in Group companies	9	-	-	425.6	433.6
Investments in joint ventures	9	41.1	41.6	-	-
Long term receivables		2.9	4.6	-	-
Deferred tax assets	18	27.3	22.2	-	0.1
		177.4	**167.1**	**427.1**	**435.2**
Current Assets					
Finance lease receivable	8	0.2	0.2	-	-
Inventories	10	199.9	178.5	-	-
Trade and other receivables	11	250.9	225.6	0.1	0.2
Due from Group companies	15	-	-	42.0	23.3
Income tax receivables		2.5	5.6	1.8	0.6
Cash and cash equivalents	12	24.6	22.1	14.6	1.1
		478.1	**432.0**	**58.5**	**25.2**
Liabilities					
Current liabilities					
Borrowings	14	106.6	110.8	92.1	92.8
Trade and other payables	13	220.6	184.5	1.9	3.0
Lease liabilities	8	9.0	9.5	-	-
Due to related parties	15	0.4	1.6	-	-
Due to Group companies	15	-	-	124.7	90.9
Income tax liabilities		6.4	2.5	-	-
		343.0	308.9	218.7	186.7
Net current assets/(liabilities)		**135.1**	**123.1**	**(160.2)**	**(161.5)**
Non-current liabilities					
Retirement benefit obligations	23	6.9	5.8	-	-
Lease liabilities	8	35.9	42.0	-	-
Other long term liabilities		4.5	5.4	-	-
Provisions	17	4.9	7.0	-	-
Deferred tax liabilities	18	-	-	0.1	-
		52.2	60.2	0.1	-
Net Assets		**260.3**	**230.0**	**266.8**	**273.7**
Equity attributable to owners of the parent					
Share capital	19	1.7	1.7	1.7	1.7
Merger reserve	20	262.4	262.4	262.4	262.4
Accumulated profits		61.4	36.0	2.7	9.6
Other reserves	20	(65.2)	(70.1)	-	-
Total Equity		**260.3**	**230.0**	**266.8**	**273.7**

G Angus
Director
Ethos Energy Group Limited, registered number SC454431

Date: 15 March 2024

Ethos Energy Group Limited

Consolidated Statement of Changes in Equity
For the year to 31 December 2023

	Share capital $m	Merge reserve $m	Other reserves $m	Accumulated Profits $m	Total equity $m
Group					
At 1 January 2022	**1.7**	**262.4**	**(60.7)**	**33.6**	**237.0**
Profit for the year	-	-	-	6.4	6.4
Other comprehensive income/(expense):					
Re-measurement losses on retirement benefit and similar liabilities	-	-	0.9	-	0.9
Exchange movements on retranslation of foreign currency net assets	-	-	(10.3)	-	(10.3)
Dividends paid	-	-	-	(4.0)	(4.0)
Total comprehensive income/(expense)	-	-	(9.4)	2.4	(7.0)
At 31 December 2022	**1.7**	**262.4**	**(70.1)**	**36.0**	**230.0**
Profit for the year	-	-	-	27.4	27.4
Other comprehensive income/(expense):					
Re-measurement losses on retirement benefit and similar liabilities	-	-	(0.2)	-	(0.2)
Exchange movements on retranslation of foreign currency net assets	-	-	5.1	-	5.1
Dividends paid	-	-	-	(2.0)	(2.0)
Total comprehensive income	-	-	4.9	25.4	30.3
At 31 December 2023	**1.7**	**262.4**	**(65.2)**	**61.4**	**260.3**

The notes on pages 32 to 69 are an integral part of these consolidated financial statements.

Ethos Energy Group Limited

Company Statement of Changes in Equity
For the year to 31 December 2023

	Share capital $m	Merge reserve $m	Accumulated Profits $m	Total equity $m
Company				
At 1 January 2022	**1.7**	**262.4**	**20.1**	**284.2**
Loss for the year	-	-	(6.5)	(6.5)
Dividends paid	-	-	(4.0)	(4.0)
Total loss for the year	-	-	(10.5)	(10.5)
Total comprehensive expense	-	-	(10.5)	(10.5)
At 31 December 2022	**1.7**	**262.4**	**9.6**	**273.7**
Loss for the year	-	-	(4.9)	(4.9)
Dividends paid	-	-	(2.0)	(2.0)
Total loss for the year	-	-	(6.9)	(6.9)
Total comprehensive expense	-	-	(6.9)	(6.9)
At 31 December 2023	**1.7**	**262.4**	**2.7**	**266.8**

The notes on pages 32 to 69 are an integral part of these consolidated financial statements.

Ethos Energy Group Limited

Consolidated and Company cash flow statements
For the year to 31 December 2023

		Group		Company	
	Note	**2023**	**2022**	**2023**	**2022**
		$m	$m	$m	$m
Cash generated from/ (used in) operations	21	37.0	(13.6)	(0.7)	(2.2)
Interest paid		(9.1)	(5.4)	(7.4)	(2.8)
Tax paid		(2.7)	(5.8)	0.2	1.0
Net cash generated from/ (used in) operating activities		**25.2**	**(24.8)**	**(7.9)**	**(4.0)**
Cash flows from investing activities					
Purchase of property plant and equipment	7	(16.8)	(11.0)	-	-
Purchase of intangible assets	6	(2.1)	(0.9)	(0.3)	(0.5)
Proceeds from disposals		-	0.1	-	-
Loans (to)/from subsidiaries		-	-	11.7	(10.9)
Dividends from joint ventures and subsidiaries		13.9	6.8	12.8	0.9
Net cash (used in)/generated from investing activities		**(5.0)**	**(5.0)**	**24.2**	**(10.5)**
Cash flows from financing activities					
Drawdown/(Repayment) of bank loans	14	(4.2)	20.3	(0.8)	12.3
Lease payments	8	(11.9)	(10.9)	-	-
Dividends to parent companies		(2.0)	(4.0)	(2.0)	(4.0)
Net cash (used in)/generated from financing activities		**(18.1)**	**5.4**	**(2.8)**	**8.3**
Net increase/(decrease) in cash and cash equivalents		2.1	(24.4)	13.5	(6.2)
Effect of exchange rate changes on cash and Cash equivalents		0.4	0.1	-	-
		2.5	**(24.3)**	**13.5**	**(6.2)**
Cash and cash equivalents at opening		22.1	46.4	1.1	7.3
Closing cash and cash equivalents	12/14	**24.6**	**22.1**	**14.6**	**1.1**

The notes on pages 32 to 69 are an integral part of these consolidated financial statements.

Notes to the financial statements
for the year to 31 December 2023

General information
The Group provides rotating equipment services to customers in the power, oil & gas, and industrial markets globally. The key services include power plant engineering, procurement and construction; facility operations and maintenance; equipment repair, overhaul, upgrade and life extension; and project decommissioning.
Details of the Group's activities during the period are provided in the Strategic Report.

Ethos Energy Group Limited is a private limited company, limited by shares, registered and domiciled in Scotland.

Basis of preparation
These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the Companies Act 2006.

New accounting standards and interpretations not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group.

- For accounting periods beginning on or after 1 January 2024, there have been amendments to IFRS 16 – "Leases on sale and leaseback" includes requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- For accounting periods beginning on or after 1 January 2024, there has been amendments to IAS 1 – "Non-current liabilities with covenants" which clarifies how conditions with which an entity must comply with twelve months after the reporting period affect the classification of a liability.
- For accounting periods beginning on or after 1 January 2024, there has been amendments to IAS 7 and IFRS 7 – "Supplier finance" requires disclosures to enhance the transparency of supplier finance arrangements and their effect on an entity's liabilities, cash flows and exposure to liquidity risk.
- For accounting periods beginning on or after 1 January 2025, there has been amendments to IAS 21 – "Lack of Exchangeability" which relates to when an entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

None of these are expected to have a material impact on the Group in the current or future periods and on foreseeable future transactions.

Going concern
The Group meets its working capital requirements through its bank facilities, including the Group's Revolving Credit Facility which is up for renewal in July 2025.

The Group monitors its funding position throughout the year to ensure it has access to sufficient funds to meet its forecast cash requirements by regularly producing forecasts to give management's best estimates of forward liquidity, leverage and forecast covenant compliance.

After the year end, Wood Group PLC announced that they are looking into potentially selling their share in EthosEnergy Group Limited however this is an ongoing process and the facilities available to Group are not impacted by this announcement. Accordingly, the financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through the income statement.

Accounting policies
The Group's accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to each year presented.

Notes to the financial statements (continued)
for the year to 31 December 2023

Basis of consolidation
The Group financial statements for the year to 31 December 2023 and to 31 December 2022 are the result of the consolidation of the financial statements of the Group's subsidiary undertakings. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are consolidated from that date until control ceases. The Group's interests in joint ventures are accounted for using equity accounting and the Group's share of joint venture profit is included within "Share of profit from joint ventures" in the Group Income Statement and its share of joint venture net assets are in the "Investments in joint ventures" line in the Group Balance Sheet.

All Group companies apply the Group's accounting policies and prepare financial statements at 31 December.

Functional currency
The Group's, and Company's, earnings streams are primarily in US dollars and therefore the principal functional currency is the US dollar, being the most representative currency of the Company and Group. The financial statements are therefore prepared in US dollars and all values are rounded to the nearest hundred thousand ($0.1m) except where otherwise indicated.

Foreign Currencies
Statements of comprehensive income of entities whose functional currency is not the US dollar are translated into US dollars at average rates of exchange for the period and assets and liabilities are translated into US dollars at the rates of exchange ruling at the balance sheet date. Exchange differences arising on translation of net assets in such entities held at the beginning of the period, together with those differences resulting from the restatement of profits and losses from average to period end rates, are taken to the currency translation reserve.

In each individual entity, transactions in overseas currencies are translated into the relevant functional currency at the exchange rates ruling at the date of the transaction. Where more than one exchange rate is available, the appropriate rate at which assets can be readily realised and liabilities can be extinguished is used. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date. Any exchange differences are taken to the income statement.

Goodwill and fair value adjustments of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate ruling at the balance sheet date.

The directors consider it appropriate to record sterling denominated equity share capital in the financial statements of Ethos Energy Group Limited at the exchange rate ruling on the date it was contributed.

Revenue recognition
Revenue comprises the fair value of the consideration specified in a contract with a customer and is stated net of sales taxes (such as VAT) and discounts. The Group recognises revenue when it transfers control over a good or service to a customer.

For contracts with performance obligations the company identifies the performance obligations in the contracts and allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; recognising revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Product sales
Revenue from product sales is recognised when the significant risks and rewards of ownership have been transferred to the buyer, which is normally at a point in time upon delivery of products and customer acceptance, unless the criteria for recognition over time is met. The criteria for revenue recognition over time for a product sale are: where the customer simultaneously receives and consumes the benefit provided by the Group's performance to date; or the Group's performance creates or enhances an asset that the customer controls as the

asset is created or enhanced; or both the services do not create an asset for which the Group has an alternate use and there is an enforceable right to payment for perfórmance to date.

Cost reimbursable projects
Revenue from services is recognised as the services are rendered, including where they are based on contractual rates per man hour in respect of multi-year service contracts. Incentive performance revenue is recognised at the start of the contract but is only recognised when it is highly probable that there will not be a significant reversal in future periods.

Non-recurring items
Non-recurring items are those items which are separately disclosed due to their size to give a more accurate understanding of the performance of the Group. Transactions which may give rise to such a disclosure include divestment of the businesses, write down or impairment of assets and investments and restructuring costs and provisions. Further details are included in note 5.

Research & Development
All research and development costs are expensed except where it can be demonstrated that development costs meet the technical and economic requirements to justify capitalisation.

Finance expense/income
Interest income and expense is recorded in the income statement in the period to which it relates. Arrangement fees in respect of the Group's borrowing facilities are amortised over the period which the Group expects the facility to be in place. Interest relating to the Group's retirement benefit scheme is also included as finance income/expense.

Goodwill
Goodwill represents the excess of the cost of predecessor accounted acquisitions over the fair value of the net assets acquired and is carried at cost less accumulated impairment losses. Goodwill is not amortised.

Intangible assets
Other Intangible assets are carried at cost less accumulated amortisation. Intangible assets are recognised if it is probable that there will be future economic benefits attributable to the asset, the cost of the asset can be measured reliably, the asset is separately identifiable and there is control over the use of the asset. Intangible assets are amortised over their estimated useful lives, as follows:

Other intangibles	3-5 years

Property Plant and Equipment
Property, plant and equipment (PP&E) is stated at cost less accumulated depreciation and impairment. No depreciation is charged with respect to freehold land and assets in the course of construction.

Depreciation is calculated using the straight line method over the following estimated useful lives of the assets:

Freehold and long leasehold buildings	20-50 years
Short leasehold buildings	period of lease
Plant and equipment	3-10 years

When estimating the useful life of an asset group, the principal factors the Group takes into account are the durability of the assets, the intensity at which the assets are expected to be used and the expected rate of technological developments. Asset lives and residual values are assessed at each balance sheet date.

Investments
Investments held by the Company in Group companies are recorded at the lower of cost (less any impairment charges) or fair value. Group investments show its investment in joint ventures using equity accounting. Under equity accounting, the Group's share of its joint ventures' profits and losses after tax are shown on one line on the consolidated income statement and the Group's share of its joint ventures' net assets or liabilities are presented on the 'Investment in joint ventures' line on the consolidated balance sheet.

Notes to the financial statements (continued)
for the year to 31 December 2023

Impairment
The Group and Company perform impairment reviews in respect of PP&E, intangible assets and investments whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. In addition, the Group carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than its carrying amount.

For the purposes of impairment testing, goodwill is allocated to the appropriate Cash Generating Unit (CGU). The carrying amount of a cash-generating unit includes the carrying amount of those assets that can be attributed directly, or allocated on a reasonable and consistent basis, to the cash-generating unit and will generate the future cash inflows used in determining the cash-generating unit's value in use and does not include the carrying amount of any recognised liability, unless the recoverable amount of the cash-generating unit cannot be determined without consideration of this liability. The CGUs are aligned to the structure the Group uses to manage its business. Cash flows are discounted in determining the value in use.

Inventories
Inventories, which include materials, work in progress and finished goods and goods for resale, are stated at the lower of cost and net realisable value. Service based businesses' inventories consist of spare parts and other consumables. Serialised parts are costed using the specific identification method and other materials are generally costed using the first in, first out method. Product based businesses determine cost by weighted average cost methods using standard costing to gather material, labour and overhead costs. These costs are adjusted, where appropriate, to correlate closely the standard costs to the actual costs incurred based on variance analysis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses. Allowance is made for obsolete and slow-moving items, based upon actual and projected usage.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and other short-term bank deposits with maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities. Where the Group uses pooling arrangements with a right of set-off, overdrafts and cash are netted and included in the appropriate category depending on the net position of the pool.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. The Group applies the simplified approach to measuring expected credit losses which is based on a lifetime expected loss allowance (ECL) for trade receivables and gross amounts due from customers. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. Evidence that a financial asset is credit-impaired includes a customer being in significant financial difficulty or a breach of contract such as a default. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The approach applied by the Group has not changed in the current year.
For intercompany receivables balances these are reviewed and recoverability of the debtor balances are assessed by review of trade receivables and cash funds available in addition to current net asset position. This recoverability review determines whether a provision may be required.

Trade payables
Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Notes to the financial statements (continued)
for the year to 31 December 2023

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Taxation
The tax charge represents the sum of tax currently payable and deferred tax. Tax currently payable is based on the taxable profit for the period. Taxable profit differs from the profit reported in the income statement due to items that are not taxable or deductible in any period and also due to items that are taxable or deductible in a different period. The Group's liability for current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided, using the full liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The principal temporary differences arise from depreciation on PP&E, tax losses carried forward and, in relation to acquisitions, the difference between the fair values of the net assets acquired and their tax base. Tax rates enacted, or substantially enacted, at the balance sheet date are used to determine deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available in the short term against which the temporary differences can be utilised.

Accounting for derivative financial instruments and hedging activities
Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); (2) hedges of highly probable forecast transactions (cash flow hedge).

Where hedging is to be undertaken, the Group documents the relationship between the hedging instrument and the hedged item at the inception of the transaction, as well as its risk management objective and strategy for undertaking the hedge transaction. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items. The Group performs effectiveness testing on a quarterly basis.

(a) Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in administrative expenses in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(b) Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the hedging reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in administrative expenses (in the case of forward contracts) or finance income/expense (in the case of interest rate swaps) in the income statement. Amounts accumulated in equity are recycled through the income statement in periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Notes to the financial statements (continued)
for the year to 31 December 2023

Accounting for derivative financial instruments and hedging activities (continued)

(c) Derivatives that are not designated as hedges
Certain derivatives, whilst providing effective economic hedges are not designated as hedges. Changes in the fair value of any derivative instruments that are not designated for hedge accounting are recognised immediately in administrative expenses in the income statement.

Fair value estimation

The fair value of forward foreign exchange contracts is determined using forward foreign exchange market rates at the balance sheet date. The fair values of all derivative financial instruments are obtained from valuations provided by financial institutions.

The carrying values of trade receivables and payables approximate to their fair values.

The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Lease accounting

Leases are recognised as a right of use asset and a corresponding liability on the Group's balance sheet. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset is depreciated over the shorter of the assets useful life and the lease term on a straight line basis. Lease liabilities are measured at the present value of the remaining lease payments, discounted by using the Group's incremental borrowing rate of 5.01%.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that includes renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which may significantly affect the amount of lease liabilities and right of use assets recognised.

Leases are remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Applied the exemption not to recognise right of use assets and liabilities for property leases with less than 12 months of lease term;
- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Reliance on previous assessments on whether leases are onerous;
- Applied the exemption not to recognise right of use assets and liabilities for low value assets;
- Excluded initial direct costs from measuring the right of use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Notes to the financial statements (continued)
for the year to 31 December 2023

Retirement benefit liabilities
The Group primarily operates defined contribution schemes but in certain subsidiaries it has defined benefit obligations. The liability recognised in respect of the defined benefit scheme represents the present value of the defined benefit obligations less the fair value of the scheme assets. The assets of these schemes are held in separate trustee administered funds.

The defined benefit scheme's assets are measured using fair values. Pension scheme liabilities are measured annually by an independent actuary using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the Group's defined benefit scheme expected to arise from employee service in the period is charged to operating profit. The interest income on scheme assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in finance income/expense. Re-measurement gains and losses are recognised in the statement of comprehensive income in full in the period in which they occur. The defined benefit scheme's net assets or net liabilities are recognised in full and presented on the face of the balance sheet.

The Group's contributions to defined contribution schemes are charged to the income statement in the period to which the contributions relate.

The Group also operates a deferred compensation arrangement in the USA for certain employees. Contributions are paid into a separate investment vehicle which invests in a portfolio of USA funds that are recognised by the Group as a long term receivable and with the corresponding liability in other non-current liabilities. Investments are carried at fair value based on quoted market prices.

Provisions
Provision is made for the estimated liability on all products and services still under warranty, including claims already received, based on past experience. Other provisions are recognised where the Group is deemed to have a legal or constructive obligation, and it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate of the obligation can be made. Where amounts provided are payable after more than one year the estimated liability is discounted using an appropriate rate of interest. The amount to be recognised as the provision should be the best estimate of the expenditure required to settle the obligation at the balance sheet date, discounted using a pre-tax rate if material.
Provisions primarily relate to contractual liabilities and additional information is contained in note 17.

Share capital and Reserves
Ethos Energy Group Limited has two classes of ordinary shares both of which are classified as equity and both classes have the same voting rights.

The issue of shares by the Company in exchange for share capital of part of the business contributed by one of the shareholders met the criteria for merger relief such that no share premium was recorded. As allowed under the UK Companies Act 2006 and required by IAS 27 (Consolidated and separate financial statements), a merger reserve equal to the difference between the fair value of the shares acquired by the Company and the aggregation of the nominal value of the shares issued by the Company has been recorded.

Critical accounting judgments and estimates
The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates are based on management's best knowledge of the amount, event or actions and actual results ultimately may differ from those estimates. The estimates and assumptions that could result in a material adjustment to the carrying amounts of assets and liabilities are addressed below.

(a) Revenue recognition

Revenue on fixed price or lump sum contracts for services, and other fixed price long-term service agreements is recognised according to the stage of completion reached in the contract by measuring the proportion of costs incurred for work performed to total estimated costs. Estimating the costs to completion and therefore the total contract costs is a key estimate in respect of the revenue recognition on these contracts. The total revenue recognised in the year relating to long term service agreements was $131.6m

The Group carries out low margin procurement activity on certain contracts for customers and as part of the IFRS 15 transition, these contracts were reviewed to assess whether the Group was acting as 'principal' or 'agent' in these transactions. Where the Group controls the goods before title passes to the customer then the Group is acting as principal and the related revenue is recognized – this is deemed a critical judgement. The review did not identify any instances where the conclusion reached in its principal versus agent assessment was incorrect.

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is required in determining the worldwide provision for income taxes. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The Group adopted IFRIC 23 'Uncertainty over Income Tax Treatments' for the first time in 2019 which gives guidance on the accounting for uncertain tax provisions. The adoption of IFRIC 23 has not resulted in a material change in relation to provisions for tax uncertainties held by the Group.

(c) Impairment of goodwill

The Group carries out an annual impairment review and takes into account events or changes in circumstance which indicate that the carrying value of goodwill may not be recoverable. An impairment loss is recognised when the recoverable amount of goodwill is less than the carrying amount. The impairment tests are carried out by CGU (Cash Generating Unit) and reflect the latest Group budgets. The budgets are based on various assumptions relating to the Group's businesses including assumptions relating to market outlook, resource utilisation, foreign exchange rates, contract awards and contract margins. The directors exercise judgement in selecting and applying such assumptions and results of the impairment review which are potentially subjective. The outlook for the Group is discussed in the Strategic Review and further information on goodwill is included in note 6.

(d) Inventory

A provision is made where necessary for obsolete and slow moving inventory. This is typically performed using a calculation based on average historical usage adjusted for the latest operational, financial and market conditions and expected future activity. The period over which future usage is projected and the assumptions over future market conditions involves the application of judgement and is therefore deemed a critical estimate.

Ethos Energy Group Limited

Notes to the financial statements (continued)
for the year to 31 December 2023

1 Revenue from contracts with customers

	2023	2022
	$m	$m
By Geography		
North America	510.8	504.2
Europe	190.1	164.4
Rest of the world	120.1	116.0
	821.0	**784.6**

Revenue by geography is based on the location of the project or ultimate customer.

Revenue by category is as follows:		
Sale of goods	251.6	327.0
Rendering of services	569.4	457.6
	821.0	**784.6**
Timing of Revenue Recognition:		
Products and services transferred at a point in time	689.4	673.1
Products and services transferred over time	131.6	111.5
	821.0	**784.6**

Contract asset balances primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the right to be paid become unconditional which usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to advance consideration received from customers, for which revenue is recognised over time.

	2023	2022
	$m	$m
Contract assets	71.6	72.0
Contract liabilities	88.0	66.0

Notes to the financial statements (continued)
for the year to 31 December 2023

2 Finance expense

	2023	2022
	$m	$m
Finance expense		
Interest and finance costs	14.1	7.8
IFRS 16 interest expense	1.8	1.7
Interest on Defined Benefit Pension	0.6	0.4
Bank facility fees expensed	0.5	0.4
	17.0	**10.3**
Finance income		
Bank interest received	(5.0)	(2.8)
Other interest	(0.4)	(0.1)
	(5.4)	**(2.9)**
Finance expense - net	**11.6**	**7.4**

3 Profit before taxation from continuing operations

	Note	2023	2022
		$m	$m
The following items have been charged in arriving at profit before taxation:			
Cost of inventories recognized as an expense		205.9	199.2
Research and development		0.4	0.1
Depreciation of property, plant and equipment	7	5.3	3.4
Depreciation of right of use assets	8	10.4	9.9
Amortisation of intangible assets	6	1.0	0.9
Other operating lease rentals payable:			
- Plant and machinery		0.1	-
- Land and building		0.2	0.2
Foreign exchange losses		1.3	1.9

Depreciation of property plant and equipment and right of use assets is included in cost of sales or administrative expenses in the Consolidated income statement. Amortisation of intangible assets is included in administrative expenses in the Consolidated income statement.

Notes to the financial statements (continued)
for the year to 31 December 2023

3 Profit before taxation from continuing operations (continued)

Services provided by the Group's auditors and associate firms
During the year the Group obtained the following services from its auditors and associate firms as detailed below:

	2023	2022
	$m	$m
Fees payable to the Group's auditors and its associated firms for:		
Audit of parent Company and consolidated financial statements	0.3	0.3
Audit of group companies pursuant to legislation	0.5	0.4
	0.8	**0.7**

RSM UK Audit LLP and its associates did not provide any non-audit services to the Group in 2023 or 2022.

4 Taxation

	2023	2022
	$m	$m
Current tax		
- Current year	9.9	4.6
- Adjustments in respect of prior periods	(0.2)	0.1
	9.7	**4.7**
Deferred tax		
- Current year	(2.8)	-
- Adjustments in respect of prior periods	(1.7)	1.2
	(4.5)	**1.2**
Total tax charge	**5.2**	**5.9**

Tax is calculated at the rates prevailing in the respective jurisdictions in which the Group operates. The expected rate is the weighted average rate taking into account the Group's profits and losses in these jurisdictions adjusted for the Group's joint ventures. The tax charge for the year is the same as (2022: higher than) the expected tax charge due to the following factors:

Ethos Energy Group Limited

Notes to the financial statements (continued)
for the year to 31 December 2023

4 Taxation (continued)

	2023	2022
	$m	$m
Profit before taxation from continuing operations	32.6	12.3
Profit before tax at expected rate of 15.9% (2022 – 4.5%)	5.2	0.5
Effects of		
Non-recognition of losses and other attributes	(3.7)	0.2
Effect of foreign taxes	1.2	0.9
Adjustment for equity accounted joint ventures	2.3	1.9
Adjustments in respect of prior periods	(1.9)	1.3
Other permanent differences	2.1	1.1
Total tax charge	**5.2**	**5.9**

Other permanent differences include adjustments for changes in unrecognised tax attributes and expenditure which is not allowable as a deduction for tax purposes.

Pillar two model introduces legislation for multinational enterprises (MNEs) with revenues in excess of EUR 750m in consolidated financial statements and relates to a minimum level of tax to be paid. The Group does not exceed the requirements in the current year and this is expected not to have a material impact on the Group in future periods.

5 Non-recurring administrative expenses

In the prior year, there was a full and final settlement agreement with a customer resulting in part of the debt due and associated legal costs to be written off at a value of $7.2m. The Group are no longer venturing into projects of this nature. There was no such write off in the current year.

Notes to the financial statements (continued)
for the year to 31 December 2023

6 Goodwill and Intangible Assets

	Goodwill $m	Software $m	Other Intangibles $m	Total $m
Group				
Cost				
At 1 January 2023	92.3	20.7	1.7	114.7
Exchange movements	0.5	0.6	-	1.1
Additions	-	2.0	0.1	2.1
Reclassifications	-	1.7	(0.3)	1.4
Disposals	-	(1.4)	-	(1.4)
At 31 December 2023	**92.8**	**23.6**	**1.5**	**117.9**
Aggregate amortisation and impairment				
At 1 January 2023	83.0	17.7	1.3	102.0
Exchange movements	0.5	0.5	-	1.0
Amortisation charge for the year	-	1.0	-	1.0
Reclassifications	-	-	0.2	0.2
Disposals	-	(1.4)	-	(1.4)
At 31 December 2023	**83.5**	**17.8**	**1.5**	**102.8**
Net book value at 31 December 2023	**9.3**	**5.8**	**-**	**15.1**
Cost				
At 1 January 2022	93.3	21.2	1.6	116.1
Exchange movements	(1.0)	(0.7)	(0.1)	(1.8)
Additions	-	0.7	0.2	0.9
Disposals	-	(0.5)	-	(0.5)
At 31 December 2022	**92.3**	**20.7**	**1.7**	**114.7**
Aggregate amortisation and impairment				
At 1 January 2022	84.0	17.9	0.9	102.8
Exchange movements	(1.0)	(0.6)	-	(1.6)
Amortisation charge for the year	-	0.9	-	0.9
Reclassifications	-	-	0.4	0.4
Disposals	-	(0.5)	-	(0.5)
At 31 December 2022	**83.0**	**17.7**	**1.3**	**102.0**
Net book value at 31 December 2022	**9.3**	**3.0**	**0.4**	**12.7**

Notes to the financial statements (continued)
for the year to 31 December 2023

6 Goodwill and Intangible Assets (continued)

Value-in-use calculations have been prepared for each CGU based on business units using the cash flow projections included in their financial budgets approved by management for 2024 as well as the financial plans for the following three years which have also been approved by management. The projections used have been based on the following:

- Management's view of future market conditions
- Longer term backlog generated during 2023 and to date in 2024
- Growth in more recent products and services
- Benefit from restructuring measures
- Cash inflow from the sale of surplus assets over the next five years

A terminal value is applied thereafter in order to calculate long term estimated cash flows using the anticipated long-term growth rate of 3.1% across all CGUs. The growth rate used does not exceed the Group's long-term average growth rates for the regions in which the CGUs operate. The cash flows have been discounted using 15.00% pre-tax discount rates which is appropriate for each CGU.

	Goodwill $m	Other intangibles $m	Total $m
Company			
Cost			
At 1 January 2023	0.4	2.6	3.0
Additions	-	0.3	0.3
At 31 December 2023	**0.4**	**2.9**	**3.3**
Aggregate amortisation and impairment			
At 1 January 2023	-	1.5	1.5
Amortisation charge for the year	-	0.3	0.3
At 31 December 2023	**-**	**1.8**	**1.8**
Net book value 31 December 2023	**0.4**	**1.1**	**1.5**
Cost			
At 1 January 2022	0.4	2.1	2.5
Additions	-	0.5	0.5
At 31 December 2022	**0.4**	**2.6**	**3.0**
Aggregate amortisation and impairment			
At 1 January 2022	-	1.3	1.3
Amortisation charge for the year	-	0.2	0.2
At 31 December 2022	**-**	**1.5**	**1.5**
Net book value 31 December 2022	**0.4**	**1.1**	**1.5**

Notes to the financial statements (continued)
for the year to 31 December 2023

7 Property plant and equipment

	Freehold And long Leasehold Buildings $m	Short Leasehold Buildings $m	Plant and Equipment $m	Total $m
Group				
Cost				
At 1 January 2023	24.6	0.1	264.6	289.3
Exchange movements	1.2	-	7.8	9.0
Additions	1.4	-	15.4	16.8
Reclassifications	9.4	-	(10.8)	(1.4)
Disposals	(0.3)	-	(3.5)	(3.8)
At 31 December 2023	**36.3**	**0.1**	**273.5**	**309.9**
Accumulated depreciation and impairment				
At 1 January 2023	21.2	0.1	229.8	251.1
Exchange movements	0.7	-	6.5	7.2
Charge for the year	0.6	-	4.7	5.3
Reclassifications	4.3	-	(4.5)	(0.2)
Disposals	(0.3)	-	(3.5)	(3.8)
At 31 December 2023	**26.5**	**0.1**	**233.0**	**259.6**
Net book value at 31 December 2023	**9.8**	**-**	**40.5**	**50.3**
Cost				
At 1 January 2022	24.3	1.3	268.8	294.4
Exchange movements	(1.1)	-	(9.6)	(10.7)
Additions	0.6	-	10.4	11.0
Reclassifications	1.2	(1.2)	-	-
Disposals	(0.4)	-	(5.0)	(5.4)
At 31 December 2022	**24.6**	**0.1**	**264.6**	**289.3**
Accumulated depreciation and impairment				
At 1 January 2022	23.2	1.2	237.3	261.7
Exchange movements	(0.7)	-	(8.1)	(8.8)
Charge for the period	0.3	-	3.1	3.4
Impairment	-	-	0.4	0.4
Reclassifications	(1.2)	(1.1)	1.9	(0.4)
Disposals	(0.4)	-	(4.8)	(5.2)
At 31 December 2022	**21.2**	**0.1**	**229.8**	**251.1**
Net book value at 31 December 2022	**3.4**	**-**	**34.8**	**38.2**

The reclassifications in the current year relate to cost and amortisation to software whereas prior year it was a reallocation of amortisation in other intangibles. There is a total of $7.6m of tangible assets under construction at the end of the current year.

Notes to the financial statements (continued)
for the year to 31 December 2023

8 Leases

Movement schedule for right of use assets

	Building leases $m	Other leases $m	Total leases $m
At 1 January 2023	43.6	4.0	47.6
Exchange movements	(0.1)	-	(0.1)
Additions	1.8	1.7	3.5
Adjustment to leases	0.2	-	0.2
Reallocations	1.5	(1.5)	-
Depreciation	(8.9)	(1.5)	(10.4)
Disposals	(0.1)	-	(0.1)
At 31 December 2023	**37.9**	**2.7**	**40.7**

	Building leases $m	Other leases $m	Total leases $m
At 1 January 2022	31.4	2.4	33.8
Exchange movements	(0.5)	-	(0.5)
Additions	19.3	3.5	22.8
Adjustments to leases	1.4	-	1.4
Depreciation	(8.0)	(1.9)	(9.9)
At 31 December 2022	**43.6**	**4.0**	**47.6**

Movement schedule for lease liabilities

	Current lease liabilities $m	Non-current lease liabilities $m
At 1 January 2023	9.5	42.0
Exchange movements	-	(0.1)
Additions	-	3.5
Adjustments to leases	-	0.2
Reclassed from long to short term	9.6	(9.6)
Interest	1.8	-
Payments	(11.9)	-
Disposals	-	(0.1)
At 31 December 2023	**9.0**	**35.9**

	Current lease liabilities $m	Non-current lease liabilities $m
At 1 January 2022	7.9	29.2
Exchange movements	-	(0.6)
Additions	-	22.8
Adjustments to leases	-	1.4
Reclassed from long to short term	10.8	(10.8)
Interest	1.7	-
Payments	(10.9)	-
At 31 December 2022	**9.5**	**42.0**

8 Leases (continued)

In the current year, there was not a significant building lease entered. In the prior year, one property was significantly extended for several years with right of use asset and lease liability increasing accordingly.

Finance lease receivable

	2023 $m	2022 $m
Non-current asset	-	0.2
Current asset	0.2	0.2

The maturity analysis of lease receivables, including the undiscounted lease payments to be received are as follows:

	2023 $m	2022 $m
Less than 1 year	0.2	0.2
1 – 2 years	-	0.2
3 – 4 years	-	-
Total undiscounted lease payments receivable	0.2	0.4

The Group leases premises, vehicles and other equipment. Each of these arrangements meet the definition of a lease under IFRS 16. Rental contracts are agreed for various fixed periods but may have extension options described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right of use asset and a corresponding liability on the Group's balance sheet. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. Lease liabilities are measured at the present value of the remaining lease payments, discounted by using the Group's incremental borrowing rate of 5.01%.

Payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in the income statement. Short term leases are leases with a lease term of 12 months or less. Low value assets comprise of office equipment.

Ethos Energy Group Limited has no leases for the year and therefore no IFRS 16 adjustment is required for the company.

9 Investments

In relation to the Group's interests in joint ventures, its share of assets, liabilities, income and expenses is shown below.

	2023 $m	2022 $m
Non-current assets	18.4	19.3
Current assets	81.9	89.7
Current liabilities	10.6	(17.4)
Non-current liabilities	6.1	(7.0)
Net assets	**83.6**	**84.6**
Group share at 31 December	**41.1**	**41.6**
Income	81.4	82.3
Expenses	(53.0)	(54.3)
Profit for the year before tax	28.4	28.0
Tax	(1.6)	(1.8)
Profit for the year after tax	26.8	26.2
Share of post-tax profits from joint ventures	**13.2**	**12.9**

The joint ventures have no significant contingent liabilities to which the Group is exposed, nor has the Group any significant contingent liabilities in relation to its interest in the joint ventures. The name and principal activities of the most significant joint ventures are disclosed in note 28.

	2023 $m	2022 $m
Company		
At 1 January	433.6	433.6
Impairment	(8.0)	-
At 31 December	**425.6**	**433.6**

10 Inventories

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Materials	34.2	26.6	-	-
Work in progress	79.2	83.9	-	-
Finished goods and goods for sale	86.5	68.0	-	-
	199.9	**178.5**	**-**	**-**

Notes to the financial statements (continued)
for the year to 31 December 2023

11 Trade and other receivables

		Group		Company	
		2023	2022	2023	2022
	Note	$m	$m	$m	$m
Trade receivables		159.7	139.4	-	-
Less: provision for impairment of trade receivables		(7.5)	(7.3)	-	-
Trade receivables – net		152.2	132.1	-	-
Amounts recoverable on contracts		71.6	72.0	-	-
Prepayments and accrued income		14.7	14.8	-	0.2
Other receivables		3.9	4.7	0.1	-
Due from related parties	15	8.6	2.0	-	-
		250.9	**225.6**	**0.1**	**0.2**

Receivable days are calculated by allocating the closing trade receivables balance to current year and prior year revenue including sales taxes. A receivable day's calculation of 51 (2022: 61) indicates that closing trade receivables represent the most recent 51 days of continuing revenue. A provision for the impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the terms of the original receivables.

The ageing of the provision for impairment of trade receivables is as follows:

	Group		*Company*	
	2023	2022	2023	2022
	$m	$m	$m	$m
Up to 3 months overdue	-	0.7	-	-
Over 3 months overdue	7.5	6.6	-	-
	7.5	**7.3**	**-**	**-**

Any credits to the income statement are included in administrative expenses.

Amounts recoverable on contracts are included in the impairment provision review. The other classes within trade and other receivables do not contain impaired assets.
Included within gross trade receivables of $159.7m (2022: $139.4m) are receivables of $47.1m (2022: $42.7m) which were past due but not impaired.

These relate to customers for whom there is no recent history or expectation of default. The ageing analysis of these trade receivables is as follows:

	Group		Company	
	2023	2022	2023	2022
	$m	$m	$m	$m
Up to 3 months overdue	22.6	15.3	-	-
Over 3 months overdue	24.5	27.4	-	-
	47.1	**42.7**	**-**	**-**

Notes to the financial statements (continued)
for the year to 31 December 2023

11 Trade and other receivables (continued)

The movement on the bad debt provision is as follows:

	Bad debt provision
	$m
Group	
At 1 January	7.3
Exchange movements	0.1
Additions	1.6
Amounts used in the year	(0.8)
Amounts reversed in the year	(0.7)
At 31 December 2023	**7.5**
At 1 January	6.0
Exchange movements	(0.3)
Additions	3.2
Amounts used in the year	(0.4)
Amounts reversed in the year	(1.2)
At 31 December 2022	**7.3**

The application of IFRS 9 had no material impact on the Group's financial statements in the year (2022: $0.5m). The expected loss rates are based on historical credit losses adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Credit losses incurred in the three years to 31 December 2022 amounted to around 0.02% of revenue and credit losses in the year to 31 December 2023 amounted to around 0.04% of revenue. The application of IFRS 9 for Company only receivables resulted in an additional provision of $2m against intercompany receivables, primarily against payable on demand loans in the current year (2022: $3.8m).

12 Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	$m	$m	$m	$m
Cash at bank and in hand	24.6	22.1	14.6	1.1
	24.6	**22.1**	**14.6**	**1.1**

The effective interest rate on short term deposits was 3.5% (2022 0.0%) and have an average maturity of 1 days. (2022: 0 days)

At 31 December 2023 $nil (2022: $0.4m) of the Group cash balance was held on deposit as security for pension and bonding requirements.

Notes to the financial statements (continued)
for the year to 31 December 2023

13 Trade and Other Payables

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$m	$m	$m	$m
Trade payables	63.5	56.4	0.7	2.2
Other tax and social security payable	5.3	7.4	-	-
Accruals and deferred income	151.7	120.6	1.2	0.8
Finance lease	0.1	0.1	-	-
	220.6	**184.5**	**1.9**	**3.0**

14 Borrowings

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$m	$m	$m	$m
Bank loans and overdrafts due within one year				
Loans	106.6	110.8	92.1	92.8
	106.6	**110.8**	**92.1**	**92.8**

Bank loans are all drawdowns under the Group's Revolving Credit Facilities and denominated in a number of currencies. Interest is based on LIBOR, SONIA, SOFR, or equivalents, appropriate to the currency in which the borrowing is incurred.

In the prior year, the Group entered into a Receivables Finance facility in the US which is secured against specific receivables, the total facility value is $35m.

The effective interest rate on the Company and Group's borrowings at the balance sheet date was 7.4% (2022: 5.4%) for US Dollars and 7.12% (2022: 4.1%) for Sterling.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$m	$m	$m	$m
US Dollars	101.5	100.7	87.0	82.7
Sterling	5.1	10.1	5.1	10.1
	106.6	**110.8**	**92.1**	**92.8**

The Group is required to issue trade finance instruments to certain customers. These include tender bonds, performance bonds, retention bonds, advance payment bonds and standby letters of credit. At 31 December 2023 the Group's bank facilities relating to the issue of bonds, guarantees and letters of credit amounted to $173.4m (2022: $167.7m). At 31 December 2023, the Group's bank facilities relating to the issue of such bonds and guarantees was 69% (2022: 69%) utilised.

14 Borrowings (continued)

Borrowing facilities

The Group has the following undrawn borrowing facilities available at 31 December:

	Group		Company	
	2023	2022	2023	2022
	$m	$m	$m	$m
Expiring within one year	23.7	22.0	2.9	2.2
	23.7	**22.0**	**2.9**	**2.2**

All undrawn borrowing facilities are floating rate facilities. The Group's overdraft facilities are reviewed on an annual basis and the Group Revolving Credit Facility and has been renewed in March 2024 until July 2025.

The Group was in compliance with its bank covenants at 30 June 2023 and at the year end.

15 Related Parties

	Group		Company	
	2023	2022	2023	2022
	$m	$m	$m	$m
Other current liabilities	0.4	1.6	-	-
Current liabilities	**0.4**	**1.6**	**-**	**-**

Other current liabilities relate to net payments due in relation to contracts held by Shareholder companies. The fair value of these elements equals their carrying amount.

The following transactions were carried out in the year and receivables and payables represent the outstanding balances due or payable at 31 December 2023 and 2022.

Notes to the financial statements (continued)
for the year to 31 December 2023

15 Related Parties (continued)

	Group		Company	
	2023	2022	2023	2022
	$m	$m	$m	$m
With related parties – shareholders				
Sale of goods and services	30.9	32.0	-	-
Purchase of goods and services	10.6	8.7	-	-
Dividends paid	2.0	4.0	2.0	4.0
Receivables	8.6	2.0	-	-
Payables	(0.4)	(1.6)	-	-
With joint ventures				
Sale of goods and services	11.0	11.9	-	-
Purchase of goods and services	1.2	0.4	-	-
Dividends received	13.9	6.8	-	-
Receivables	3.0	7.8	-	-
Payables	0.1	0.5	-	-
With subsidiaries				
Interest income	-	-	5.6	2.3
Interest expense	-	-	(7.3)	(2.4)
Dividends received	-	-	12.8	0.8
Loans – receivable	-	-	42.0	23.3
Loans - payable	-	-	(124.7)	(90.9)

All sales to and purchases from related parties arose in the normal course of business and are at market rates. Outstanding trade balances at the period-end are unsecured and interest free. There was an additional provision in place of $2m held against any receivables from related parties in the year (2022 $3.8m).

The Shareholders have provided guarantees for some of the Group's banking, bonding and guarantee facilities.

Loans made to and from the Company to subsidiaries are all unsecured, repayable on demand and carry interest at the prevailing LIBOR, SONIA and SOFR or equivalent rate.

Key management compensation is disclosed in note 22.

16 Financial instruments

The Group's activities give rise to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy is to hedge exposures wherever practicable in order to minimise any potential adverse impact on the Group's financial performance.

Risk management is carried out in line with the Group's Treasury policies. The Group identifies, evaluates and where appropriate, hedges financial risks. The Group's Treasury policies cover specific areas, such as foreign exchange risk, interest rate risk, and use of derivative financial instruments and investment of excess cash. Where the Board considers that a material element of the Group's profits and net assets are exposed to a country in which there is significant geo-political uncertainty a strategy is agreed to ensure that the risk is minimised.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currencies. The Group has a number of subsidiary companies whose revenue and expenses are denominated in currencies other than the US dollar. The Group will use strategies such as the payment of dividends to minimise the amount of net assets exposed to foreign currency revaluation.

Some of the revenues of the Group's businesses are to customers in overseas locations. Where possible, the Group's policy is to eliminate all significant currency exposures on revenues at the time of the transaction by using financial instruments such as forward currency contracts. Changes in the forward contract fair values are booked through the income statement, except where hedge accounting is used in which case the change in fair value is recorded in equity.

The Group carefully monitors the economic and political situation in the countries in which it operates to ensure appropriate action is taken to minimise any foreign currency exposure.

The Group's main foreign exchange risk relates to movements in the Euro, Zloty and Sterling to US dollar exchange rate. Movements in these currencies to the US dollar rates impact the translation of profits earned and the translation of non US Dollar denominated net assets.

If the average Euro, Zloty and Sterling/US dollar rate had been 10% higher or lower during 2023 post-tax profit for the year would have been $3.3m (2022: $2.0m) higher or lower. If the closing Euro, Zloty and Sterling/US dollar rate were 10% higher or lower at 31 December 2023, exchange differences in equity would have been $16.9m (2022: $15.2m) higher or lower respectively.

10% has been used in these calculations as it represents a reasonable possible change in the euro, zloty and sterling/US dollar exchange rate.

(ii) Interest rate risk

The Group finances its operations through a mixture of retained profits and bank borrowings. The Group borrows in the desired currencies at floating rates of interest.

The Group is also exposed to interest rate risk on cash held on deposit. The Group's policy is to minimise its excess cash position by repaying borrowings. Cash on deposit is mainly operating cash balances held in outlying regions or is about to be used to reduce borrowings. Cash is deposited with a financial institution with an acceptable credit rating. Accordingly, if average interest rates had been 1% higher or lower during 2023, the effect on post-tax profit for the year would have been $1m (2022: $1m). 1% has been used in this calculation as it represents a reasonable possible change in interest rates.

16 Financial instruments (continued)

(iii) Price risk

The Group is not exposed to any significant price risk in relation to its financial instruments.

(b) ***Credit risk***

The Group's credit risk primarily relates to its trade receivables. Responsibility for managing credit risk lies within the businesses with support being provided by Group and divisional management where appropriate.

A customer evaluation is typically obtained from an appropriate credit rating agency. Where required, appropriate trade finance instruments such as letters of credit, bonds, guarantees and credit insurance will be used to manage credit risk.

The Group's major customers are typically large companies which have strong credit ratings assigned by international credit rating agencies. Where a customer does not have sufficiently strong credit ratings, alternative forms of security such as the trade finance instruments referred to above may be obtained. The Group has a broad customer base and management believes that no further credit risk provision is required in excess of the provision for impairment of trade receivables.

Management review trade receivables across the Group based on receivable day's calculations to assess performance. There is significant management focus on receivables that are overdue.

The Group also has credit risk when cash is held on deposit. The Group's policy is to only to deposit cash at institutions with an acceptable credit rating. At 31 December 2023 the Group had $nil (2022: $0.4m) held on deposit.

(c) ***Liquidity risk***

With regard to liquidity, the Group's main priority is to ensure continuity of funding. At 31 December 2023, 100% (2022: 100%) of the Group's borrowing facilities (excluding joint ventures) were due to mature in less than one year. In 2024, the group finalised a renewal of its Revolving Credit Facility ending July 2025 with regular drawdowns available during this period. Based on the current outlook the Group has sufficient funding in place to meet its future obligations.

(d) ***Capital risk***

The Group seeks to have sufficient capital, in the form of cash and borrowing facilities, to continue to operate as a going concern so that it can continue to provide benefits to its stakeholders and to maintain an optimal capital structure to reduce its cost of capital. The Group monitors its capital structure on the basis of its interest cover and to keep the ratio of net debt to EBITDA to under 3.5 times.

Financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Drawdowns under long term bank facilities are for periods of three months or less and are not therefore discounted and loan interest payable is excluded from the amounts below.

Notes to the financial statements (continued)
for the year to 31 December 2023

16 Financial instruments (continued)

	Less than 1 Year $m	Between 1 & 2 years $m
Group		
Borrowings	106.6	-
Trade and other payables	220.6	-
Due to related parties	0.4	-
At 31 December 2023	**327.4**	**0.0**
Borrowings	110.8	-
Trade and other payables	184.5	-
Due to related parties	1.6	-
At 31 December 2022	**296.9**	**0.0**
Company		
Borrowings	92.1	-
Trade and other payables	1.9	-
At 31 December 2023	**94.0**	**0.0**
Borrowings	92.8	-
Trade and other payables	3.0	-
At 31 December 2022	**95.8**	**0.0**

Fair value of non-derivative financial assets and financial liabilities
The fair value of short-term borrowings, trade and other payables, trade and other receivables, short-term deposits and cash at bank and in hand approximates to the carrying amount because of the short maturity of interest rates in respect of these instruments. Drawdowns under long-term bank facilities are for periods of three months or less and as a result, book value and fair value are considered to be the same.

Details of derivative financial instruments are not disclosed in the financial statements as they are not material.

Notes to the financial statements (continued)
for the year to 31 December 2023

17 Provisions

	Warranty provision
	$m
Group	
At 1 January	7.0
Exchange movements	0.1
Additions	1.1
Amounts used in the year	(2.0)
Amounts reversed in the year	(1.3)
At 31 December 2023	**4.9**
At 1 January	8.4
Exchange movements	(0.2)
Additions	4.4
Amounts used in the year	(4.7)
Amounts reversed in the year	(0.9)
At 31 December 2022	**7.0**

These provisions are recognised in respect of guarantees provided in the normal course of business relating to contract performance. They are based on previous claims history and it is expected that most of the costs in respect of these provisions will be incurred over the next two years.

18 Deferred tax assets

Deferred tax is calculated in full on temporary differences under the liability method using the tax rate applicable to the territory in which the asset or liability has arisen.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 (on 24 May 2021). These changes included an increase in the main rate to 25% from April 2023. This change has no significant impact on these financial statements.

The movement on the deferred tax account is shown below:

	Note	Group		Company	
		2023	**2022**	**2023**	**2022**
		$m	$m	$m	$m
At 1 January		22.2	24.2	0.1	0.1
Exchange movements		0.6	(0.5)	-	-
Other movements		-	(0.3)	-	-
(Charge)/credit to income statement	4	4.5	(1.2)	(0.2)	-
At 31 December		**27.3**	**22.2**	**(0.1)**	**0.1**

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries and joint ventures. As these earnings are continually reinvested by the Group, no tax is expected to be payable on them in the foreseeable future.

Notes to the financial statements (continued)
for the year to 31 December 2023

18 Deferred tax assets (continued)

The Group has unrecognized gross tax losses of $171.0m (2022: $168.2m) to carry forward against future taxable income which has not been recognised due to uncertainty over it's recoverability.

Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net. The deferred tax balances are analysed below:-

	Group		Company	
	2023 $m	**2022** $m	**2023** $m	**2022** $m
Accelerated tax depreciation	(3.3)	(2.1)	(0.1)	0.1
Short term timing differences	20.8	16.2	-	-
Losses	9.8	8.1	-	-
At 31 December	**27.3**	**22.2**	**(0.1)**	**0.1**

The deferred tax asset has been based on the reversal of timing differences and anticipated future profitability of the operations concerned.

The deferred tax asset is expected to be recovered on the basis as below:

	Under 1 year	**Later than 1 year**
	$m	$m
Accelerated tax depreciation	(0.3)	(3.0)
Short-term timing differences	7.1	13.7
Losses	4.8	5.0
Deferred tax assets	**11.6**	**15.7**

19 Share Capital

Ordinary Shares of £1 each authorised, issued and fully paid	A Ordinary Shares	B Ordinary Shares	Total Shares	$m
At 31 December 2023	510,000	490,000	1,000,000	**1.7**
At 31 December 2022	510,000	490,000	1,000,000	**1.7**

"A" class ordinary shares – Holders of the majority of nominal value "A" ordinary shares shall carry the rights to appoint and remove up to 3 "A" directors.

"B" class ordinary shares – Holders of the majority of nominal value "B" ordinary shares shall carry the rights to appoint and remove up to 2 "B" directors.

The share classes are considered to be identical in all other respects.

20 Merger and Other Reserves

The Group was originally formed through the contribution of businesses by the original shareholders. As the Group is classified as a joint venture it is out with the scope of IFRS 3 (Business Combinations) and the Group elected to follow the principles of predecessor (or merger) accounting whereby the assets and liabilities contributed by the shareholders were recorded at their book values in the consolidated financial statements of the Shareholders immediately prior to transfer.

Merger Reserve

The issue of shares by the Company in exchange for the share capital of the business's contributed by one of the shareholders met the criteria for merger relief such that no share premium was recorded. As allowed under the UK Companies Act 2006 and required by IAS 27 (Consolidated and separate financial statements), a merger reserve equal to the difference between the fair value of the shares acquired by the Company and the aggregation of the nominal value of the shares issued by the Company has been recorded.

Other Reserves

The difference between the net assets of the contributed businesses immediately prior to their contribution to the Group and the aggregate of the share capital and merger reserve has been recorded by the Company within Other Reserves. This difference is recorded alongside adjustments made to align the accounting policies of the combined Group and opening adjustments arising upon formation of the Group.
Other reserves also include movements on translation of foreign currency net assets upon consolidation, remeasurement of pension liabilities and accounting for derivative financial instruments under IAS 39.

Notes to the financial statements (continued)
for the year to 31 December 2023

21 Cash (used in)/generated from operations

	Group 2023	Group 2022	Company 2023	Company 2022
	$m	$m	$m	$m
Reconciliation of operating profit to cash generated from operations:				
Operating profit/(loss) excluding non-recurring items	44.2	26.9	(11.6)	(4.6)
Less share of post-tax profit from joint ventures	(13.2)	(12.9)	-	-
	31.0	**14.0**	**(11.6)**	**(4.6)**
Adjustments for:				
Depreciation	15.7	13.3	-	-
Amortisation of intangible assets	1.0	0.9	0.3	0.2
(Decrease)/increase in provisions and non-cash items	(4.7)	(1.8)	8.0	-
Changes in working capital				
Increase in inventories	(17.3)	(32.0)	-	-
(Increase)/decrease in receivables	(4.5)	(23.7)	4.1	0.2
Increase/(decrease) in payables	15.7	15.7	(1.5)	2.0
Cash (used in)/generated from operations	**37.0**	**(13.6)**	**(0.7)**	**(2.2)**

Analysis of Net debt

	Cash & cash equivalents	Borrowings	Related parties- current	Related Parties – non current	Excluding trade related and other	Net debt
	$m	$m	$m	$m	$m	$m
Group						
At 1 January 2022	46.4	(90.6)	-	-	(0.3)	(44.5)
Cash flow	(24.4)	(20.3)	-	-	0.5	(44.2)
Exchange movements	0.1	0.1	-	-	-	0.2
At 31 December 2022	22.1	(110.8)	-	-	0.2	(88.5)
Cash flow	2.1	4.2	-	-	0.1	6.4
Exchange movements	0.4	-	-	-	-	0.4
At 31 December 2023	**24.6**	**(106.6)**	-	-	**0.3**	**(81.7)**

Notes to the financial statements (continued)
for the year to 31 December 2023

22 Employees and Directors

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$m	$m	$m	$m
Employee benefits expense				
Wages and salaries	318.8	306.2	0.9	0.8
Social security costs	56.1	56.1	0.1	0.1
Other pension costs	15.7	12.1	0.1	-
	390.6	**374.4**	**1.1**	**0.9**

Average monthly number of employees (excluding non-executive directors)

	Group		Company	
	2023	**2022**	**2023**	**2022**
Direct	2,451	2,466	-	-
Indirect	1,165	1,120	3	3
	3,616	**3,586**	**3**	**3**

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$m	$m	$m	$m
Key management personnel compensation				
Salaries and short-term employee benefits	2.8	3.0	-	-
Social security costs	0.3	0.1	-	-
Post-employment benefits	0.1	0.1	-	-
	3.2	**3.2**	**-**	**-**

Key management compensation represents the charge to the income statement in respect of the remuneration of the Group board and the expanded Group 'Executive Leadership Team' members. At 31 December 2023, five of the Executive Leadership Team (2022: five) had retirement benefits accruing under a defined contribution pension plan and no directors (2022: none) had benefits accruing under a defined benefit pension scheme.

The directors are all appointed by the Shareholders and did not receive any emoluments in relation to their services to the Group.

23 Retirement benefit obligations

Although the Group primarily operates defined contribution plans, it also has defined benefit arrangements in the USA, Italy, Poland and Switzerland, which are subject to the country's regulatory frameworks. The assets of the defined benefits schemes are held separately from those of the Group, being invested with independent investment companies in trustee administered funds.

The principal average rate assumptions made by the actuaries at the balance sheet date were:

	2023	**2022**
Discount rate	3.6%	4.3%
Rate of inflation	1.8%	1.9%

At 31 December 2023, the mortality assumption used to determine pension liabilities is based on the most recent mortality tables applicable to the pension schemes.

Notes to the financial statements (continued)
for the year to 31 December 2023

23 Retirement benefit obligations (continued)

The amounts recognised in the balance sheet are determined as follows:

	2023	2022
	$m	$m
Present values of funded obligations	16.0	12.1
Fair value of scheme assets	(9.1)	(6.3)
Net liabilities	**6.9**	**5.8**

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2023	2022
Equity securities	42.0%	60.8%
Fixed Income Securities	32.0%	35.7%
Cash	26.0%	3.5%
	100%	100%

The amounts recognised in the income statement are as follows:

	2023	2022
	$m	$m
Current service cost included within employee benefits expense	0.3	0.4
Interest cost	0.6	0.4

The employee benefits expense is included within administrative expenses in the income statement.

Changes in the present value of the defined benefit liability are as follows:

	2023	2022
	$m	$m
Present value of funded obligations at 1 January	12.1	15.6
Current service cost	0.3	0.4
Interest cost	0.6	0.4
Remeasurements		
- actuarial losses/(gains) arising from changes in financial assumptions	0.9	(0.5)
- actuarial losses/(gains) arising from changes in experience	0.3	(2.2)
Benefit payments	1..1	(1.0)
Exchange movements	0.7	(0.6)
Present value of funded obligations at 31 December	**16.0**	**12.1**

Notes to the financial statements (continued)
for the year to 31 December 2023

23 Retirement benefit obligations (continued)

Changes in the fair value of scheme assets are as follows:

	2023	2022
	$m	$m
At 1 January	6.3	8.5
Contributions	0.1	0.1
Benefits paid	1.6	(0.5)
Re-measurement (loss)/gain on scheme assets	0.7	(2.3)
Expected return on assets	0.3	0.5
Exchange movements	0.1	-
Fair value of scheme assets at 31 December	**9.1**	**6.3**

Analysis of the movement in the balance sheet liability:

	2023	2022
	$m	$m
At 1 January	(5.8)	(7.1)
Current service cost	(0.3)	(0.4)
Finance cost	(0.6)	(0.4)
Contributions	0.1	0.1
Benefit payments	0.5	0.5
Recognised through comprehensive income	(0.2)	0.9
Exchange movements	(0.6)	0.6
Fair value at 31 December	**(6.9)**	**(5.8)**

Notes to the financial statements (continued)
for the year to 31 December 2023

23 Retirement benefit obligations (continued)

Scheme risks

The retirement benefit scheme is exposed to a number of risks, the most significant of which are:

Volatility

The defined benefit obligation is measured with reference to corporate bond yields and if scheme assets underperform relative to this yield, this will create a deficit, all other things being equal. The scheme investments are well diversified such that the failure of a single investment would not have a material impact on the overall level of assets.

Changes in bond yields

A decrease in the corporate bond yields will increase the defined benefit obligation. This would however be offset to some extent by a corresponding increase in the value of the scheme's bond asset holdings.

Inflation risk

The majority of benefits in deferment and in payment are linked to price inflation so higher actual inflation and higher assumed inflation will increase the defined benefit obligation.

Life expectancy

The defined benefit obligation is generally made up of benefits payable for life and so increases to members' life expectancies will increase the defined benefit obligation all other things being equal.

Sensitivity of the retirement benefit obligation

The impact of changes to the key assumptions on the retirement benefit obligation is shown below. The sensitivity is based on a change in an assumption whilst holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the pension obligation recognised in the Group balance sheet.

Assumption	**2023 Change**	**2023 Impact on Obligation**	**2022 Change**	**2022 Impact on Obligation**
Discount Rate	0.5%	-	0.5%	**($0.1m)**

Pension costs for defined contribution plans are as follows:

	2023 $m	**2022** $m
Defined contribution plans	**6.9**	**5.8**

There were no material contributions outstanding at either 31 December 2023 or 2022 in respect of the defined contribution plans.

Notes to the financial statements (continued)
for the year to 31 December 2023

24 Operating lease commitments – minimum lease payments

	Group		Company	
	2023	2022	2023	2022
	$m	$m	$m	$m
Amounts payable under non-cancellable operating leases due:				
Within one year	0.1	-	-	-
Later than one year and less than five years	-	-	-	-
After five years	-	-	-	-
	0.1	-	-	-

The Group leases various offices and facilities under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights. The Group also leases vehicles, plant and equipment under non-cancellable operating lease agreements.

25 Contingent liabilities

At the balance sheet date the Group had extended cross guarantees to its principal bankers in respect of facilities provided to subsidiaries.

From time to time and in the normal course of business the Group is notified of legal claims in respect of work carried out. For a number of these claims the potential exposure is significant. Where management believe that the Group is in a strong position to defend such claims no provision is made. At any point in time there are a number of claims where it is too early to assess the merit of the claim, and hence it is not possible to make a reliable estimate of the potential financial impact.

26 Capital and other financial commitments

The Group have no contracts placed for future capital expenditure not provided in financial statements.

27 Ultimate controlling parties

The Company is ultimately 51% owned by John Wood Group PLC a company listed in the UK and 49% by Siemens Energy Global Gmbh & Co. Kg. a company listed in Germany. Whilst John Wood Group PLC has a 51% shareholding in the Group certain significant decisions affecting the group requires unanimous consent from both shareholders. As a result no shareholder has control and the business is therefore regarded as a joint venture by the Shareholders.

Ethos Energy Group Limited is the parent undertaking of the smallest and largest group to prepare consolidated financial statements.

28 Subsidiaries and joint ventures

The Group's subsidiaries and joint ventures at 31 December 2023 are listed on following pages.

Notes to the financial statements (continued)
for the year to 31 December 2023

Name of entity	Country of Incorporation	Ownership interest %	Relationship
EthosEnergy Accessories and Components, LLC: CSC - 112 North Curry Street, Carson City, NV 89703	USA	100%	Subsidiary
EthosEnergy Field Services, LLC: CSC - 502 East John Street, Carson City, Nevada, 89706	USA	100%	Subsidiary
EthosEnergy Light Turbines, LLC: CSC - 501 Louisiana Ave., Baton Rouge, LA, 70802	USA	100%	Subsidiary
EthosEnergy Power Operations (West) LLC: 122 North Curry, Carson City NV 89703	USA	100%	Subsidiary
EthosEnergy Power Plant Services, LLC: CSC Services of Nevada, Inc. 2215 -B Renaisance Drive, Las Vegas NV 89119	USA	100%	Subsidiary
EthosEnergy Power Solutions, LLC: CSC - 2215-B Renaissance Drive, Las Vegas NV 89119	USA	100%	Subsidiary
EthosEnergy GTS Holdings (US), LLC: Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	100%	Subsidiary
EthosEnergy TC Inc: Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	100%	Subsidiary
EthosEnergy (USA), LLC: Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	100%	Subsidiary
EthosEnergy US Group Inc: Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	100%	Subsidiary
EthosEnergy USA Holdings, Inc: Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	100%	Subsidiary
Gas Turbine Efficiency LLC: Corporation Trust Company, 1201 Hays Street, Tallahassee, FL 32301	USA	100%	Subsidiary
Gas Turbine Efficiency, Inc: Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	100%	Subsidiary
Shanahan Engineering Inc: Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	USA	100%	Subsidiary
Wood Group Pratt & Whitney Industrial Turbine Services, LLC: CT Corp., 67 BURNSIDE AVE, EAST HARTFORD, CT, 06108, United States	USA	49%	Joint venture
EthosEnergy (GBR) Limited: Ethos House Craigshaw Business Park, Craigshaw Road, West Tullos Industrial Estate, Aberdeen, AB12 3QH	UK	100%	Subsidiary
EthosEnergy Light Turbines Limited: Unit 3 Berkeley Business Park, Wainwright Road, Worchester, WR4 9FA	UK	100%	Subsidiary

Notes to the financial statements (continued)
for the year to 31 December 2023

Name of entity	Country of Incorporation	Ownership interest %	Relationship
EthosEnergy (Middle East) Limited: Ethos House Craigshaw Business Park, Craigshaw Road, West Tullos Industrial Estate, Aberdeen, AB12 3QH	UK	100%	Subsidiary
EthosEnergy (MEA) limited: Ethos House Craigshaw Business Park, Craigshaw Road, West Tullos Industrial Estate, Aberdeen, AB12 3QH	UK	100%	Subsidiary
EthosEnergy Overseas Limited: Ethos House Craigshaw Business Park, Craigshaw Road, West Tullos Industrial Estate, Aberdeen, AB12 3QH	UK	100%	Subsidiary
EthosEnergy US Holdings Limited: Ethos House Craigshaw Business Park, Craigshaw Road, West Tullos Industrial Estate, Aberdeen, AB12 3QH	UK	100%	Subsidiary
Gas Turbine Efficiency Limited: Unit 3 Berkeley Business Park, Wainwright Road, Worchester, WR4 9FA	UK	100%	Subsidiary
EthosEnergy S.A: ESTUDIO BECCAR VARELA Edificio Republica, Tucuman 1, piso 4 Buenos Aires C1049AAA , Argentina	Argentina	100%	Subsidiary
EthosEnergy Australia Pty Ltd : Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	Australia	100%	Subsidiary
EthosEnergy Sdn Bhd: 6th Floor, Bangunan Hj Amed Laksamana Othman, 38-39 Jalan Sultan, Bandar Seri Begawan, BS 8811, Brunei Darussalam	Brunei	100%	Subsidiary
EthosEnergy (Canada), Ltd: 59 Hawthorne St Yarmouth, NS, B5A 1N1 Canada +1 902 746 5201	Canada	100%	Subsidiary
EthosEnergy SEZC: HSM Corporate Services Ltd., 68 Fort Street, Georgetown, P.O. Box 31726, Grand Cayman KY1-1207, Cayman Islands	Cayman Islands	100%	Subsidiary
EthosEnergy de Chile SA: Av. Andres Bello 2711, piso 8, Las Condes, Torre Costanera, CP 7550611, Santiago Chile	Chile	100%	Subsidiary
EthosEnergy de Colombia SAS: Carrera 19 #118-95 office 401 BOGOTA COLOMBIA	Colombia	100%	Subsidiary
EthosEnergy Egypt LLC: Raya Office Building, Land No. 13 Banking Sector, First Floor El Tagamu, El Khames, New Cairo, Egypt	Egypt	100%	Subsidiary
EthosEnergy GmbH: Mellinghofer Straße 65, 45473 Mülheim an der Ruhr	Germany	100%	Subsidiary
Ethar Energy Services Limited: Al-Kindi Street, Dist. 213, St.19, Building 106, Front Hall, First Floor, Baghdad, Iraq	Iraq	49%	Associate
Shanahan Engineering Limited: The Glasshouses, Blackrock, Frascatti Hall, Sweetman's Avenue, Blackrock, Co. Dublin A94 F9N7	Ireland	100%	Subsidiary
Shanahan Engineering Services Limited: The Glasshouses, Blackrock, Frascatti Hall, Sweetman's Avenue, Blackrock, Co. Dublin A94 F9N7	Ireland	100%	Subsidiary
Shanahan Engineering Group: The Glasshouses, Blackrock, Frascatti Hall, Sweetman's Avenue, Blackrock, Co. Dublin A94 F9N7	Ireland	100%	Subsidiary
EthosEnergy Holdings (Ireland) Limited: The Glasshouses, Blackrock, Frascatti Hall, Sweetman's Avenue, Blackrock, Co. Dublin A94 F9N7	Ireland	100%	Subsidiary
EthosEnergy Italia SpA: Corso Romania, 661, 10156 Torino, Italy	Italy	100%	Subsidiary
EthosEnergy Oman Limited: 28 Esplanade, St Helier, Jersey JE2 3QA	Jersey	100%	Subsidiary
EthosEnergy Kazakhstan LLP: 2 Azattyk Str., Annex 3, 2nd Floor, City of Atyrau, 060002, Republic of Kazakhstan	Kazakhstan	100%	Subsidiary
KTR-EthosEnergy LLP: Building 2D, Azattyk Avenue, Atyrau, 060000	Kazakhstan	50%	Joint venture

Notes to the financial statements (continued)
for the year to 31 December 2023

Name of entity	Country of Incorporation	Ownership interest %	Relationship
TurboCare Kosovo LLC: Ulpiana, C7 H5 nr.2, Prishtine, Kosovo	Kosovo	100%	Subsidiary
EthosEnergy de Mexico SA de CV: Bolsa Mexicana de Valores Paseo de la Reforma 255 Piso 4. Col. Cuauhtemoc, 06500 Mexico, D.F. Mexico	Mexico	100%	Subsidiary
Proyectos Especializados de Generación EEG, S.A. de C.V: Insurgentes Sur 619 Piso 10, Col. Napoles, Delegacion Benito Juarez, Mexico. D.F	Mexico	100%	Subsidiary
EthosEnergy B.V. : Staalsteden 29, 7547 TA Enschede, Netherlands.	Netherlands	100%	Subsidiary
EthosEnergy and Partner LLC: Al Madina Business Centre, Muscat Al Khawair Grand Mall, PO Box 460, Postal Code 115, Building No 30/6, Street 235, Block 235, Plot No: 6401/25	Oman	70%	Subsidiary
EthosEnergy Poland SA: Powstanców Ślaskich 85, Lubliniec 42-701, Poland	Poland	100%	Subsidiary
EthosEnergy Sp. Z.o.o: ul. Legnicka 48-50, Budynek G, 54-202 Wrocław, Poland	Poland	100%	Subsidiary
EthosEnergy LLC: Street 20, Building 260, Zone 81, PO Box 24762, Doha, Qatar	Qatar	49%	Joint venture
EthosEnergy Turbines Singapore Pte. Limited - One Marina Boulevard, #28-00, Singapore	Singapore	100%	Subsidiary
Shanahan Engineering South Africa (PTY) limited: BDO Building, Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg, 2196 and Private Bag X60500 Houghton, 2041	South Africa	74%	Subsidiary
Gas Turbine Efficiency AB: QuickOffice, Rasta Strandvag 13C, Solna, Stockholm, Sweden	Sweden	100%	Subsidiary
Gas Turbine Efficiency Sweden AB: QuickOffice, Rasta Strandvag 13C, Solna, Stockholm, Sweden	Sweden	100%	Subsidiary
EthosEnergy AG: c/o Rechtsanwalt Dominik Probst, Laurenzenvorstadt 19, 5000 Aarau	Switzerland	100%	Subsidiary
EthosEnergy (Thailand) Limited: 39/9 Sermsuwan Road, Tambol Maptaphut, Rayong, 21150, Amphur Mueang, Thailand	Thailand	100%	Subsidiary
EthosEnergy APAC IBC Limited - No. 123 Suntowers B Building, 32 Floor, Room no. 3201-3202, Vibhavadi-Rangsit Rd, Chomphon, Chatuchak, Bangkok	Thailand	100%	Subsidiary
Shanahan Engineering Turkey STI: Yasamkent, 3072 Street No. 22, Cayyolu Yenimahalle, Ankara, Turkey	Turkey	100%	Subsidiary
EthosEnergy (Abu Dhabi) LLC - Plot No 9, AR 17, ICAD II, P O Box 65, Abu Dhabi, United Arab Emirates	United Arab Emirates	49%	Associate

All entities either provide or facilitate the Group's services of power plant engineering, procurement and construction; facility operations and maintenance; equipment repair, overhaul, upgrade and life extension; and project decommissioning with the exception of Wood Group Pratt & Whitney Industrial Turbine Services LLC which operates an engine overhaul and repair facility for industrial gas turbine engines.