

ABS Europe Limited and its subsidiaries

**Directors' Report and Financial Statements
for the year ended 31 December 2024**

Company Information

Directors

Dhaval Mehta
Philip Midgley-Carver

Company secretary

Daniel Finn

Company number

02562251

Registered office

111 Old Broad Street
London
EC2N 1AP

Auditors

Bennett Brooks & Co Limited
Chartered Accountants and Statutory Auditors
St George's Court
Winnington Avenue
Northwich
CW8 4EE

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Strategic Report

The Directors present their Strategic and Directors' reports and the financial statements for the year ended 31 December 2024. Together, they form the annual report and accounts.

Principal activities

The Group's principal activities in the year under review were the testing and surveying of vessels and other structures, together with industrial verification and consulting services, primarily for the benefit of the maritime industry within Europe and Africa.

Business review

The key financial and other performance indicators during the year were as follows

	2024 £000	2023 £000	Change %
Turnover	66,968	59,610	12%
Gross Profit	11,351	10,959	4%
Gross Profit %	17%	18%	-1%
Operating Expenses	(63,825)	(56,573)	-13%
Operating Profit	3,143	3,037	3%
Other Financing (Expense)/Income	(4,879)	1,465	(433%)

The turnover generated by the Company's operations has remained stable during the year. An increase in Cost Plus revenue from the increased cost base has contributed to a revenue growth of £7.4m. The continuing political uncertainty resulting from the Eastern European conflict did not have a major impact on the Company. Revenue from ABS Group Ltd was zero, and the transfer of the Inspection and Quality Services to other entities was completed at the end of 2023. ABS Marine Services Ltd revenue benefitted from new Master and Owner Contracts and expansion of the Condition Assessment Program. Turnover increased by £0.3m.

Other financing expense for the year totals £4,879,000. This includes the effect of the impact in foreign exchange movement on the translation of balances and transactions, including intercompany balances, and the net interest income/ (expense) on defined benefit assets/ (liabilities). In common with previous periods, the Company settled a significant proportion of the intercompany balances that it had with its parent, American Bureau of Shipping (ABS), in order to mitigate ABS Europe Ltd's exposure to foreign exchange movements. Further details regarding the above are outlined in the Principal risks and uncertainties section below.

Principal risks and uncertainties

For ABS Europe Ltd and its principal subsidiaries, namely: ABS Hellenic Single Member Ltd (Hellenic), ABS Italy Srl (Italy Srl) and ABS Europe (Ghana) Upstream Limited (ABSEGU Limited) operating profit margin risks, arising from a downturn in the shipbuilding business, have been to a great extent mitigated through the adoption of a cost plus pricing arrangement with the ultimate parent undertaking. However, in the event of a significant downturn in business, future profits could be impacted by a reduction in the cost base of these companies (and the resulting reduction in turnover).

With effect from year end ended 31 December 2016, The American Bureau of Shipping (ABS) and ABS Europe Limited (ABSEL) entered an agreement to settle outstanding USD denominated intercompany assets/ liabilities by assigning the USD balances a local currency equivalent value at the end of the year. In doing so, the foreign currency risk attached to those USD denominated intercompany assets/ liabilities held by ABSEL, is transferred to ABS. Any net residual balance is held by ABSEL in local currency. A similar process has been undertaken during 2024. The effect of this on the accounts of ABSEL is to eliminate large opposing intercompany balances denominated in US dollars and local currency and consequently reduce exposure to the inherent foreign exchange risk. In 2019 this agreement was extended to cover foreign exchange movements in ABSEL's branch in Angola.

Strategic Report (continued)

In addition, ABSEL, Hellenic, Italy Srl and ABSEGU Limited are exposed to risks arising from the continued existence of its sole customer and parent, the American Bureau of Shipping (ABS). The Directors consider that the risk of reliance on one revenue provider is low with revenues guaranteed through its cost plus agreement and the strong liquidity position of its one client, ABS. The businesses have a very low credit and litigation risk profile as much of this exposure is with ABS. However, this profile could be indirectly affected by events that challenge ABS.

The effects of movement in exchange rates are mitigated by matching revenue and expense currencies whenever possible.

Whilst ABSEL will not be directly impacted significantly by climate change, it recognises that the shipbuilding business and shipping industry could be impacted, especially with the reduction in use of fossil fuels. ABS sees this as an opportunity to offer new services with its industry-leading suite of marine and offshore sustainability services, which are now coming to market.

ABSEL operates in certain regions where this is a risk arising from political uncertainty. This was considered when making the decision to close the Russian branch in 2023. The more recent conflict in Gaza is being closely monitored for escalation to the surrounding region, where ABSEL operates, to mitigate the risk.

Section 172(1) Companies Act 2006 statement

A director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

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

Stakeholder Engagement

The Board has identified key stakeholders (as set out in this statement) and undertook a variety of activities to engage with stakeholders during 2024. Details are set out below, together with additional information on related engagement activities undertaken with ABS & affiliated companies (ABSAC) which impacted ABSEL.

Customers/ Shareholders

The Company's parent company, ABS, is also our main customer. The Company recognises its contribution to the overall success of ABSAC. The ABSAC reporting structure means that The Board, regularly report into and have regular communication with senior management of ABSAC to achieve the defined goals of ABSAC.

Employees

Employees are the biggest asset to the Company, without which, it would not be able to deliver its service to its customer. The Company uses technology to engage with its employees. The bi-annual "Chairman's Message" continued to keep employees informed about what was happening within the Company, gave an overview of company performance, spotlighted operations around the company and also gave the opportunity for questions to be answered by the Senior Management. A survey found that employees were in favour of this type of regular communication continuing post-pandemic. Regular meetings between managers and their direct reports and the structured annual employee performance evaluation process

Strategic Report (continued)

enable concerns from employees to be passed up to senior management. The digital newsletter (ABS Insider) ensures that staff remained informed and engaged about what is happening in ABSAC.

ABSAC employees have access to the LinkedIn Learning platform giving them a wide range of content with which to undertake professional development training. This is in addition to the Beacon career development program rolled out in 2019. This framework is designed to facilitate ongoing learning for all employees, enabling staff to build and manage their careers.

Within the Engineering function there is an Engagement Champion team to facilitate engagement across ABSAC. The Women in Industry Networking Group continues to facilitate the sharing of valuable insights and practical approaches to careers. The diversity, equity and inclusion (DE&I) webpage connects employees to the ABS global DE&I efforts. New Employee Resource Groups (ERG) established during 2024 included Asian Community Empowerment (ACE) and Military Veterans and Professionals (MVP).

Safety and People are two of the ABSAC Values, so the safety of our people is paramount. With the input and the participation of our workers, we are committed to continually improving the effectiveness of our Health, Safety, Quality and Environmental (HSQE) performance and management system. This is achieved by identifying risks and opportunities that help to eliminate hazards and reduce risks and by providing safe and healthy working conditions for the prevention of work-related injury, ill health and pollution. Employee meetings are held in our offices on a regular basis with a safety topic being discussed at the beginning of any larger office group meetings. There is regular HSQE training delivered to all employees and employees are encouraged to report incidents on the internal online Health & Safety Incident Management System. Recognition awards are given to employees acting as leaders in the capacity of health and safety.

We strive to achieve zero lost time accidents annually. For 2024, ABSAC, globally achieved a Lost Time Incident (LTI) rate of 0.00 (2023: 0.18) (per million hours) and a Total Reportable Incident (TRI) Index of 0.25 (2023: 0.21) (per 200,000 hours). The TRI Index was better than the target for the year of 0.3 and the LTI rate was better than the target of 0.20 for the year. In order to improve the safety performance, our annual Safety Day was held in June 2024 to remind and re-commit ourselves and as an organisation to safety. The meeting discussed recent top hazards encountered, how to prevent accidents or injuries, and the importance of being "safety present." Weekly Safety Messages, containing different safety topics each week, will continue to be shared in 2024. A Safety Culture Survey was conducted at the beginning of 2023, any improvements and initiatives from this exercise were implemented during the year. ABSAC holds the ISO 45001:2018 certificate which demonstrates compliance with the new global standard recognising the management system for a safe and healthy workplace.

Pension Schemes and Pensioners

The board takes direct responsibility for safeguarding the interests of employees, former employees, pensioners and the Company's obligations to its defined benefit pension schemes. This includes ensuring that Pension Trustees include employee representation.

Suppliers

Procurement of goods and services is an important part of the Company's business operations and can deliver significant value through a consistent approach to planning and implementation of procurement best practices. The Company has a defined procurement policy and is dedicated to the highest standards of ethical conduct, which go beyond the written word. It is the Company's goal to remain in good standing with our suppliers. Our payment practice is to pay invoices once approved before due dates. Regular assessment of a supplier's performance during any contractual engagement ensures that the relationship remains not only competitive but mutually beneficial.

Community and Environment

The mission of ABSAC is to serve the public interest as well as the needs of our members and clients by promoting the security of life and property and preserving the natural environment. As the global maritime

Strategic Report (continued)

industry continues to transform, digital technologies will be a key enabler in our quest to build a cleaner, better, and more safe and sustainable future. In this rapid evolution of technology, ABSAC is well-positioned as a technical and safety leader. The core engineering and technology competence of our people and the wealth of experience they bring to problem-solving is a key differentiator for us. That's why at ABSAC we are focused on continuing to develop our employee base to be best in class through continuous learning, training and preparation to support our commitment to set standards of excellence as a leader in maritime safety — now and in the future.

ABSEL operates an Environmental Management System which complies with the requirements of ISO 14001:2015, with each office maintaining a local list of Environmental aspects that are managed and measured.

Business Conduct

One of our most important assets at ABSAC is our reputation for ethical and reliable service. It affects every aspect of our business and operations. Whether we are providing classification services, assisting clients with asset integrity and reliability, certifying systems or processes, or engaging in any number of other tasks, the industries we serve count on us to provide an independent and impartial view that can be trusted.

Our day-to-day business is guided by the relentless focus on Safety, People, Integrity, Reliability, Innovation, Teamwork and Quality. The Code of Ethics is applicable to all employees of ABSAC and its affiliates. The Code also applies to third parties who work on behalf of the Company, such as agents, independent contractors and other non-employee representatives. Our Code of Ethics can be viewed on our corporate website: <https://ww2.eagle.org/en/about-us/who-we-are.html>.


Principal Decisions

ABSEL recognises the importance of engaging with stakeholders to help inform strategy and Board decision making. Relevant stakeholder interests help inform strategy and Board decision making. Relevant stakeholder interests including those of employees, suppliers, customers and others are taken into account by the Board when it takes decisions.

ABSEL defines principal decisions as those that are material, or of strategic importance, to ABSEL, and also those that are significant to any of its key stakeholder groups. As a subsidiary company, principal decisions are delegated to senior management at parent company level and also within the Company. The Board consists of directors which form part of this senior management group and formally approves decisions affecting the Company where legally required.

How stakeholder interests have influenced decision making

The company has operated a flexible remote working policy during the year. This continues to benefit the company and staff, with employees spending their working week split between home and the ABS offices which reopened during 2022.

DocuSigned by:

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Philip Midgley-Carver
Director

Date: 19 May 2025

Directors' Report

Research and development

The Group and the Company do not undertake research and development activity as any such activity is carried out by the parent organisation in the US.

Results and dividends

The loss for the year, after taxation, amounted to £2,725,000 (2023: profit of £3,140,000).

During the period, the Company paid no dividend (2023: nil) and the decrease in retained earnings for the year of £2,725,000 (2023: increase of £3,140,000) plus the other comprehensive income of £2,065,000 (2023: less other comprehensive expense of £3,751,000) have been taken to reserves.

Future developments

Although the market for classification services continued to be challenging in 2025, ABSEL's Operating Profit should be largely protected from the worst effects due to the presence of fixed profit margins and reduced risk of debtor default as it transacts with its parent company.

The main trading activity of ABSEL is that of the provision of support services within the UK, EU and Africa to a customer based in the United States. These services are not subject to EU regulation or control and do not rely on barrier free access to the European Market by the UK or vice versa.

The parent company will support ABSEL through the potentially turbulent market conditions and political uncertainty resulting from the Eastern European and Middle Eastern conflicts. The Israel-Gaza conflict and issues with shipping in the Red Sea are not expected to impact the Company significantly.

The Hellenic subsidiary of ABSEL will open a Ship Safety Center during 2025. This will use new immersive training techniques, game-based learning and virtual reality environments to educate and prepare seafarers to handle a multi-dimensional industry with alternative fuels and emerging technologies.

Provision of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company and the Group's auditors in connection with preparing their report and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet date events

There was an announcement during March 2025 that the UK defined Benefit Pension scheme will be closed to new employees from 20 May 2025. A defined contribution scheme will be available for staff who join the Company after this date.

Foreign branches

The Company operates through a number of branches outside of the UK, including Angola, Belgium, Cyprus, Denmark, Finland, France, Germany, Namibia, Netherlands, Portugal, Spain and Sweden.

Directors' Report (continued)

Employees

Regular meetings are held with representatives of the UK employees.

All Company employees participate in a non-contractual bonus scheme, which is related to the performance of the Company.

Health and safety matters are given special attention by the Group and it is Board policy to ensure that continued employment is offered, wherever possible, to employees who become temporarily disabled and special arrangements are made for those permanently disabled, including training and career development.

ABS Europe Ltd is an equal opportunity employer providing every qualified applicant with consideration for job openings without regard to race, colour, religion, gender, national origin, age or marital status.

All Group companies require highly trained employees, and we have a range of benefits, including a final salary pension scheme, to attract and retain our employee base.

Streamlined Energy and Carbon Report (SECR)

UK energy use and associated greenhouse gas emissions

Current UK based annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated GHG emissions are for those assets owned or controlled within the UK only as defined using the operational control boundary. This includes the 4 offices in Aberdeen, London, Newcastle, and Warrington along with mandatory inclusion of scope 3 business travel in employee-owned or rental vehicles (grey fleet).

Reporting period

The annual reporting period is the 1st of January to the 31st of December each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2024 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations as these relate to the majority of the reporting period. This report has been reviewed independently by Zenergi Limited (trading as Briar Consulting Engineers Limited).

Electricity consumption was based on invoice records with pro-rata estimation techniques used to fill a minor gap. The London and Warrington office gas consumption was estimated using the TM46 benchmark, while mileage records were used to calculate energy and emissions from grey fleet. Gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of company activities but occur from sources not owned or controlled by the organisation (scope 3).

Directors' Report (continued)

Base Year

The year ESOS Phase 1 year (2015) is chosen as the base year due to the completeness and accuracy of data reported in accordance with ESOS Phase 1. The base year will be retroactively recalculated in the event of significant changes to the company (being a change greater than 5%), such as structural changes, changes in methodology or improvements in the accuracy of data.

Breakdown of energy consumption used to calculate emissions (kWh):

	2015	2023	2024
Gas	574,345	234,248*	234,248
Purchased electricity	876,679	122,900	135,251
Transport fuel	438,277	346,651*	268,016
Total energy (mandatory)	1,889,301	703,799*	637,515

*Figures updated to reflect the updated CIBSE Benchmark

Breakdown of emissions associated with the reported energy use (tCO₂e)

Emission source	2015	2023	2024
Scope 1			
Gas	106.2	42.9*	42.8
Company owned vehicles	42.0	1.6	0.0
Total Scope 1	148.2	44.5*	42.8
Scope 2			
Purchased electricity (location based)	429.9	25.5	28.0
Total Scope 2	429.9	25.5	28.0
Scope 3			
Category 6: Business travel (grey fleet)	63.0	80.0*	63.3
Total Scope 3	63.0	80.0*	63.3
Total gross emissions (mandatory)	641.1	150.0*	134.1
Intensity ratio (mandatory emissions only)			
Tonnes of CO ₂ e per million-pound revenue	17.3*	9.8*	7.9

*Figures updated to reflect the updated CIBSE Benchmark

Intensity Ratio

The intensity ratio is total gross emissions in metric tonnes CO₂e (mandatory emissions) per total million-pound (£m) revenue. The turnover relates to UK operations only to align with the energy and emission reporting boundary. This financial metric is considered the most relevant to the Group's energy consuming activities and provides a good comparison of performance over time and across different organisations and sectors.

Directors' Report (continued)

Energy efficiency action during current financial year

There have been no additional energy efficiency actions taken during the reporting year over and above the measures reported in the 2023 report.

Going concern

ABSEL, Italy Srl, Hellenic and ABSEGU Limited have agreements in place with The American Bureau of Shipping (ABS) to provide services on a basis that should considerably reduce the Group's exposure to external economic risk. The arrangements provide for a stable margin with respect to operating costs of the business which flexes up or down in line with increases or decreases in the cost base. This is a low-risk cost provider model, with revenue determined by applying a margin to the cost base due from ABS, ensuring that an operating profit should be made going forward.

In considering whether it is appropriate to prepare the financial statements on a going concern basis the directors have considered the expected future performance and cashflows of the business. The Maritime Industry will continue to be affected by the political uncertainty in Eastern Europe. On the basis that there is uncertainty within the markets where ABSEL operates, the Directors have requested, and received, a letter of support from ABS which confirms the willingness of the parent to provide the necessary financial support for a period of at least 12 months from the date of approval of the financial statements.

In light of the continued negative economic impact of: the Eastern European, Middle Eastern conflicts and recently introduced Trade Tariffs, the directors have considered the financial strength of the parent company and have had specific regard to its current liquidity position and annual expenses, concluding that ABS has sufficient financial resources to meet the expenses of all of its companies, including ABSEL, for at least 12 months following the signing of these accounts.

Directors

The Directors shown below held office during the period from 1 January 2024 to the date of this report.

Philip Midgley-Carver

Dhaval Mehta

Directors' Report (continued)

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Bennett Brooks & Co Limited be re-appointed as auditor to the Company will be put at a General Meeting.

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

DocuSigned by:

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Philip Midgley-Carver
Director

Date: 19 May 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABS EUROPE LIMITED**Opinion**

We have audited the financial statements of ABS Europe Limited (the "parent company") and its subsidiaries (the "group") for the year ended 31 December 2024 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the Notes to Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 December 2024 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for 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 Auditors' 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 and 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABS EUROPE LIMITED (CONTINUED)**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Directors' Report, but does not include the financial statements and our Independent Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABS EUROPE LIMITED (CONTINUED)**Responsibilities of directors**

As explained more fully in the Statement of directors' responsibilities set out on page 9, 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Independent auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and parent company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and regulations which govern the preparation of financial statements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase profits, through management bias in manipulation of accounting estimates or accounting for significant transactions outside the normal course of business.

Audit procedures performed included:

- Enquiry of management around actual and potential litigation and claims and instances of non-compliance with laws and regulations;
- Auditing the risk of management override of controls, through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations; and
- Review of board meeting minutes.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Independent auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABS EUROPE LIMITED (CONTINUED)**Use of our report**

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

Signed by:

BA997B49F5C6429...

Jason Leach FCA (Senior statutory auditor)

For and on behalf of Bennett Brooks & Co Limited, Chartered Accountants and Statutory Auditors

St George's Court
Winnington Avenue
Northwich
Cheshire
CW8 4EE

19 May 2025

Consolidated Income Statement for the year ended 31 December 2024

	Note	2024 £000	2023 £000
Turnover	2	66,968	59,610
Cost of sales	3	(55,617)	(48,651)
Gross profit		11,351	10,959
Administrative expenses	3	(8,208)	(7,922)
Operating profit	4	3,143	3,037
Income from other fixed asset investments	5	190	504
Other financing (expense)/income	6	(4,879)	1,465
(Loss)/Profit on ordinary activities before taxation	2	(1,546)	5,006
Tax on (loss)/profit on ordinary activities	10	(1,179)	(1,866)
(Loss)/Profit for the year		(2,725)	3,140
(Loss)/Profit attributable to:			
- Owners of the parent		(2,727)	3,151
- Non-controlling interests		2	(11)
		(2,725)	3,140

All amounts relate to continuing operations.

The notes on pages 20 to 48 form part of these financial statements.

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2024


	Note	2024 £000	2023 £000
(Loss)/Profit for the year		(2,725)	3,140
Exchange differences on retranslation of branches held at local currency		52	205
Remeasurement gain/(loss) recognised on defined benefit pension schemes	20	2,709	(5,433)
Movement on deferred tax relating to pension liability	10	(697)	1,477
		<hr/>	<hr/>
Other comprehensive income/(expense)		2,064	(3,751)
Total comprehensive expense for the year		(661)	(611)
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive (expense)/ income attributable to:			
- Owners of the parent		(662)	(596)
- Non-controlling interests	19	1	(15)
		<hr/>	<hr/>
		(661)	(611)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 20 to 48 form part of these financial statements.

Consolidated Balance Sheet as at 31 December 2024

		2024		2023	
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	11		1,091		1,385
Investments	12		11		11
			<u>1,102</u>		<u>1,396</u>
Current assets					
Debtors	13	54,858		59,205	
Cash at bank and in hand		3,475		8,453	
		<u>58,333</u>		<u>67,658</u>	
Creditors: amounts falling due within one year	14	<u>(17,987)</u>		<u>(23,775)</u>	
Net current assets			<u>40,346</u>		<u>43,883</u>
Total assets less current liabilities			<u>41,448</u>		<u>45,279</u>
Creditors: amounts falling due after more than one year	15		<u>(160)</u>		<u>(90)</u>
Provisions for liabilities					
Provisions	17		<u>(7,050)</u>		<u>(6,107)</u>
Net assets excluding pension scheme assets/(liabilities)			<u>34,238</u>		<u>39,082</u>
Defined benefit pension assets	20	89,055		92,333	
Defined benefit pension liabilities	20	<u>(81,161)</u>		<u>(88,622)</u>	
			<u>7,894</u>		<u>3,711</u>
Net assets including pension scheme assets/(liabilities)	2		<u>42,132</u>		<u>42,793</u>
Capital and reserves					
Called up share capital	18		3,534		3,534
Profit and loss account attributable to the owners of the parent			38,591		39,253
			<u>42,125</u>		<u>42,787</u>
Equity attributable to the owners of the parent			7		6
Non-controlling interests	19		<u>7</u>		<u>6</u>
			<u>42,132</u>		<u>42,793</u>

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

DocuSigned by:

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Philip Midgley-Carver
Director

Date: 19 May 2025

The notes on pages 20 to 48 form part of these financial statements.


Company Balance Sheet

as at 31 December 2024

		2024		2023	
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	11		728		846
Investments	12		383		383
			<u>1,111</u>		<u>1,229</u>
Current assets					
Debtors	13	45,892		47,837	
Cash at bank and in hand		1,803		1,266	
		<u>47,695</u>		<u>49,103</u>	
Creditors: amounts falling due within one year	14	(8,144)		(7,428)	
Net current assets			<u>39,551</u>		<u>41,675</u>
Total assets less current liabilities			<u>40,662</u>		<u>42,904</u>
Creditors: amounts falling due after more than one year	15		(160)		(90)
Provisions for liabilities					
Provisions	17		(4,559)		(3,603)
Net assets excluding pension scheme assets/(liabilities)			<u>35,943</u>		<u>39,211</u>
Defined benefit pension assets	20	89,055		92,333	
Defined benefit pension liabilities	20	(81,161)		(88,622)	
			<u>7,894</u>		<u>3,711</u>
Net assets including pension scheme assets/(liabilities)			<u>43,837</u>		<u>42,922</u>
Capital and reserves					
Called up share capital	18		3,534		3,534
Profit and loss account			40,303		39,388
Shareholders' funds			<u>43,837</u>		<u>42,922</u>

The company's loss for the year was £1,147,000 and amounts credited to the Consolidated Statement of Comprehensive Income were £2,062,000.

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

DocuSigned by:

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Philip Midgley-Carver
 Director

Date: 19 May 2025

The notes on pages 20 to 48 form part of these financial statements.

Consolidated Statement of Changes in Equity
for the year ended 31 December 2024

	Called-up share capital	Profit and loss account	Total equity attributable to the owners of the parent	Non- controlling interest	Total equity
	£000	£000	£000	£000	£000
At 1 January 2023	3,534	39,849	43,383	21	43,404
Profit for the year	-	3,151	3,151	(11)	3,140
Other comprehensive expense	-	(3,747)	(3,747)	(4)	(3,751)
Total comprehensive expense for the year	-	(596)	(596)	(15)	(611)
At 31 December 2023	3,534	39,253	42,787	6	42,793
Loss for the year	-	(2,727)	(2,727)	2	(2,725)
Other comprehensive income	-	2,065	2,065	(1)	2,064
Total comprehensive expense for the year	-	(662)	(662)	1	(661)
At 31 December 2024	3,534	38,591	42,125	7	42,132

The notes on pages 20 to 48 form part of these financial statements.

Company Statement of Changes in Equity
for the year ended 31 December 2024

	Called-up share capital	Profit and loss account	Total Equity
	£000	£000	£000
At 1 January 2023	3,534	42,028	45,562
Profit for the year	-	1,067	1,067
Other comprehensive expense for the year	-	(3,707)	(3,707)
	-----	-----	-----
Total comprehensive expense for the year	-	(2,640)	(2,640)
	-----	-----	-----
At 31 December 2023	3,534	39,388	42,922
	-----	-----	-----
Loss for the year	-	(1,147)	(1,147)
Other comprehensive income	-	2,062	2,062
	-----	-----	-----
Total comprehensive income for the year	-	915	915
	-----	-----	-----
At 31 December 2024	3,534	40,303	43,837
	=====	=====	=====

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss Account.

The notes on pages 20 to 48 form part of these financial statements.

Notes to the financial statements

1. Accounting policies

Statement of compliance

ABS Europe Limited is a private company limited by shares and is incorporated in England and Wales. The registered office is 111 Old Broad Street, London, EC2N 1AP. The Group's financial statements have been prepared in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland as it applies to the financial statements of the Group and Company for the year ended 31 December 2024.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The presentational currency used when preparing these accounts is GBP.

The directors deem that it is appropriate to treat the non-UK entities as having local functional currencies and these are consolidated, in accordance with FRS102, into a UK sterling set of results for the purpose of reporting under UK law to the relevant UK authorities.

The financial statements have been prepared on a going concern basis. As explained more fully in the Directors' Report on page 8, market conditions remain uncertain, hence a letter of support has been provided by the parent company. Having assessed the ability of the parent to provide the necessary support, including consideration of the political uncertainty in Eastern Europe on its' available financial resources, the directors are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

As the Company is a wholly owned subsidiary of the American Bureau of Shipping (ABS), the Company has taken advantage of the exemption contained in FRS 102 Section 33 ("Related Party Disclosures") and has therefore not disclosed transactions with entities which form part of the ABS Group of companies (or investees of the ABS Group of companies qualifying as related parties). The consolidated financial statements of the American Bureau of Shipping, within which this Company is included, can be obtained from the address given in note 24.

Under FRS 102 Section 7 ("Statement of Cash Flows ") the Company and the Group are exempt from the requirement to prepare a cash flow statement per FRS 102 Paragraph 3.17 on the grounds that a parent undertaking includes the Company and Group in its own published consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings and are made up to 31 December each year. No Company profit and loss account is presented for ABS Europe Limited as permitted by section 408 of the Companies Act 2006. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities. All intra-group transactions, balances, income and expenditure are eliminated on consolidation.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Notes to the financial statements (continued)

1. Accounting policies (Continued)

Tangible assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, and any dismantling and restoration costs.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following straight-line bases:

Fixtures and fittings	6-20% per annum
Plant & machinery	33% per annum
Motor vehicles	20% per annum
Furniture & equipment	10% per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Fixed asset investments are stated at cost less provision for impairment. Dividend income is recognised in the income statement when the right to the income has been established.

Provisions for liabilities

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material the provisions are discounted. To date, the effect of the time value of money has not been material.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. With effect from year end ended 31 December 2016, ABS and ABS Europe Limited (ABSEL) entered an agreement to settle outstanding USD intercompany assets/liabilities by assigning an equivalent value of local currency balances at the end of each year, with any net residual balance to be held in local currency. The effect of this on the accounts of ABSEL is to eliminate large opposing intercompany balances denominated in US dollars and local currency and consequently reduce the translation exchange gains and losses arising. A similar process has been undertaken during 2024. In 2019 this agreement was extended to cover foreign exchange movements in ABSEL's branch in Angola.

Non-monetary assets and liabilities denominated in foreign currencies, once translated and recorded in the balance sheet, are carried forward in local functional currency. No subsequent translations of these assets will normally need to be made.

The assets and liabilities of overseas subsidiary undertakings and branches are translated at the closing exchange rates. Exchange differences arising from the retranslation of the opening net assets of subsidiaries, branches and associates which have currencies of operation other than sterling and any related loans are taken to reserves together with the differences arising when the profit and loss accounts are translated at average rates and compared with rates ruling at the year end. All resulting exchange differences are recognised in other comprehensive income.

Notes to the financial statements (continued)

1. Accounting policies (Continued)

Operating leases

The Company and its subsidiaries do not hold assets under finance lease agreements. Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Any lease incentives are recognised over the lease term on a straight line basis.

Pensions

The Company operates pension schemes providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the Company.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy, in accordance with the group's policy for similarly held assets and are measured at market values. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in pension benefit liability arising from employee service during the period; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest income or cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This income or cost is recognised in profit or loss as "finance expense" or "other financing income" as appropriate.

The pension scheme surplus (to the extent that they are recoverable) or deficit is recognised in full. The movement in the scheme surplus / deficit is split between operating charges, finance items and the consolidated statement of comprehensive income. A summary of the pension arrangements for employees is included in note 20. Full independent actuarial valuations of the scheme are made every 3 years.

Where, at the reporting date, the present value of defined benefit obligation is less than the fair value of the plan assets, the plan has a surplus. An entity shall recognise a surplus to the extent that it is unconditionally able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

The Company also operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The amounts charged to the profit and loss account represent the contributions payable to the scheme in respect of the accounting period.

Notes to the financial statements (continued)

1. Accounting policies (Continued)

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. These provisions for current tax payable are based on the Directors' best estimate of likely tax liabilities that may arise based on interpretations of current and expected tax legislation. Where tax legislation is not clear or is ambiguous the Directors make estimates of potential tax exposures that are reviewed and revised as additional information becomes available. The provisions include an estimate of interest and penalties that may become due and are all presented within "Tax on profit on ordinary activities" in the income statement.

Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- Where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised; and
- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Notes to the financial statements (continued)

1. Accounting policies (Continued)

Revenue Recognition

There are two main revenue streams for ABS Europe Limited.

Revenue Stream One

Turnover represents the amounts from the provision of services to the American Bureau of Shipping. Revenue is accrued in line with service delivery and is recorded net of VAT and similar sales tax.

Revenue Stream Two

Turnover, which is stated net of value added tax, represents the value of services provided to clients during the year, after provision for contingencies and anticipated future losses on contracts, including amounts not invoiced. The turnover and pre-tax profit is attributable to the provision of marine third party inspection, verification, quality consulting and other technical services to a broad range of clients in the energy sector.

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the Profit and Loss Account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Payments on account in excess of turnover recognised are included in creditors within accruals and deferred income.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The judgements discussed below would have the most significant effect on amounts recognised in the financial statements.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are based on historical retained earnings and latest forecasts, they do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model.

Pensions

The group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. For details of assumptions adopted, see note 20.

Taxation

There are some areas of judgement in compiling current and deferred tax charges and these are referenced above in the Accounting Policies section; Taxation.

Notes to the financial statements (continued)

1. Accounting policies (Continued)

Significant estimates: uncertain tax position

The current tax liabilities directly relate to the expected tax payable on the Group's profits and is determined based on tax laws and regulations that differ across the numerous jurisdictions in which the Group operates. Assumptions and judgements are made in applying these laws to the taxable profits in any given period in order to calculate the tax charge for that period. An estimate is made where the tax liabilities remain to be agreed with the relevant tax authorities in each jurisdiction in which the Group operates, or when tax enquiries have been opened. Due to the uncertainty associated with such tax items there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ significantly. Where the eventual tax paid or reclaimed is different to the amounts originally estimated, the difference will be charged or credited to the consolidated income statement in the period in which it is determined.

There is an open HMRC enquiry concerning the tax treatment of foreign exchange movements recorded in the 2016 financial statements. The directors believe that the Company's position on the tax treatment of these items is reasonable and they continue to vigorously defend any argument raised by HMRC to the contrary. However the directors recognise that the final outcome is uncertain and, in the circumstances, have concluded that it is not unreasonable to include an adjustment within current tax to cover any potential liability. The range of possible outcomes could be a liability between £nil and £2.0m.

Significant estimates: Group severance provision

The Group provides for long-term severance provisions in certain jurisdictions, as set out in note 17. The calculation of the provision requires estimating the number of employees to whom the severance payments are applicable, and estimation the amounts payable. This also requires the use of judgement.

Notes to the financial statements (continued)

2. Analysis of turnover, net assets and profit on ordinary activities before tax

	2024			2023		
	Turnover £000	Net profit/ (loss) before tax £000	Net assets/ (liabilities) £000	Turnover £000	Net profit/ (loss) before tax £000	Net assets/ (liabilities) £000
By activity						
Operational and technical	66,109	(1,551)	42,694	58,282	5,125	43,568
Industrial verification	(3)	(170)	(704)	794	(71)	(742)
Marine services	862	175	142	534	(48)	(33)
	<u>66,968</u>	<u>(1,546)</u>	<u>42,132</u>	<u>59,610</u>	<u>5,006</u>	<u>42,793</u>

	2024			2023		
	Turnover £000	Net profit/ (loss) before tax £000	Net assets/ (liabilities) £000	Turnover £000	Net profit/ before tax £000	Net assets/ (liabilities) £000
By Geographical market						
UK	17,014	349	13,901	15,320	1,128	11,481
Rest of Europe	47,560	(1,730)	29,046	41,252	3,821	32,012
Rest of the World	2,394	(165)	(815)	3,038	57	(700)
	<u>66,968</u>	<u>(1,546)</u>	<u>42,132</u>	<u>59,610</u>	<u>5,006</u>	<u>42,793</u>

Turnover by destination is not materially different from turnover by origin.

Notes to the financial statements (continued)

3. Cost of sales and administrative expenses

Cost of sales of £55,617,000 (2023: £48,651,000) comprises salaries and related labour costs including contractors.

Administrative expenses comprise:

	2024	2023
	£000	£000
Salaries and benefits	5	67
Office costs	3,089	2,943
Systems & telecom	653	494
Intercompany recharges from other offices	63	201
Outside Services	2,191	1,919
Travel	5	19
Marketing and promotional	898	805
Insurance	219	216
Depreciation	456	471
Restructuring costs	18	-
Dues and fees	112	124
Other administrative expenses	499	663
	8,208	7,922

4. Operating Profit

The operating profit is stated after charging:

	2024	2023
	£000	£000
Depreciation of tangible fixed assets:		
- Plant and Machinery	213	194
- Fixtures and fittings	160	126
- Motor Vehicles	16	22
- Furniture and Equipment	67	129
Operating lease rentals:		
- other operating leases	1,733	1,816

Notes to the financial statements (continued)

5. Income from other fixed asset investments

	2024	2023
	£000	£000
Dividend income from fixed asset investments held at cost less impairment (unlisted shares)	190	504
	<u> </u>	<u> </u>

6. Other financing income/ (expense)

	2024	2023
	£000	£000
Net interest income on defined benefit pension schemes	361	514
Bank interest receivable	90	49
Foreign exchange (losses)/ gains	(5,330)	902
(Loss)/ gain on foreign exchange to 31 December 2024 for the settled intercompany balances	(1,699)	809
Gain / (loss) on intercompany settlement agreement	1,699	(809)
	<u> </u>	<u> </u>
	(4,879)	1,465
	<u> </u>	<u> </u>

7. Auditors' Remuneration

	2024	2023
	£000	£000
Fees payable to the Company's auditor for the audit of ABSEL annual consolidated accounts (including the audit of subsidiary companies)	76	78
Tax compliance services	5	-
Other non-audit services	9	-
	<u> </u>	<u> </u>

These amounts are exclusive of VAT and out of pocket expenses.

Notes to the financial statements (continued)

8. Staff numbers and costs

The average number of persons employed by the Group and the parent Company (including directors) during the period, analysed by category, was as follows:

	Group		Company	
	2024	2023	2024	2023
Operational	242	225	167	156
Technical	98	88	42	38
Administration	86	81	41	38
	<u>426</u>	<u>394</u>	<u>250</u>	<u>232</u>

The aggregate payroll costs of these persons were as follows:

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Wages and salaries	34,212	31,517	21,652	19,941
Social security costs	5,902	5,306	3,281	2,879
Other pension costs	3,234	2,857	3,151	2,932
	<u>43,348</u>	<u>39,680</u>	<u>28,084</u>	<u>25,752</u>

9. Directors' remuneration

	2024 £000	2023 £000
Remuneration	<u>279</u>	<u>259</u>

During the year retirement benefits were accruing to 1 director (2023: 1) in respect of defined benefit pension schemes. The aggregate value of employer contributions paid into the scheme in the year was £72,000 (2023: £67,000).

No directors (2023: none) were members of defined contribution schemes.

The highest paid director received remuneration of £279,000 (2023: £259,000) and entity contributions paid into the defined benefit pension scheme of £72,000 (2023: £67,000). The accrued pension at the end of the year was £44,000 (2023: £48,000).

Key Management Compensation

The Key Management is considered to consist of the directors and their total emoluments are disclosed above.

Notes to the financial statements (continued)

10. Taxation

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2024	2023
	£000	£000
Current Tax		
UK corporation tax credit on loss/profit for the year	(492)	(203)
Adjustments in respect of prior periods	310	53
UK Tax provision in respect of prior periods	(297)	239
Foreign tax on income for the year	1,005	1,208
Foreign tax adjustments in respect of prior periods	494	221
Total current tax	1,020	1,518
Deferred tax		
Origination and reversal of timing differences	163	331
Adjustment in respect of prior periods	(4)	17
Total deferred tax	159	348
Tax on profit on ordinary activities	1,179	1,866

Notes to the financial statements (continued)

10. Taxation (continued)

Reconciliation of total tax charge included in profit and loss

The effective tax assessed for the year is higher (2023: higher) than the standard rate of corporation tax in the UK of 25% (2023: 23.5%). The differences are explained below:

	2024	2023
	£000	£000
(Loss)/profit on ordinary activities before tax	(1,546)	5,006
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 – 23.5%)	(387)	1,176
Effects of:		
Expenses not deductible for tax purposes	1,431	133
UK Tax provision in respect of prior periods	(297)	239
Additional tax on overseas income	(39)	45
Movement in unrecognised deferred tax	(198)	(19)
Other items, including non-corporate taxes	-	-
Group Relief	(131)	-
Adjustments in respect of prior periods	800	292
Tax exempt gain on disposal of business operations	-	-
Total tax charge for the year	1,179	1,866
Deferred tax (charged)/credited to other comprehensive income	(697)	1,477

Factors that may affect future tax charges

On the 11th March 2021, the UK Government announced an increase of the corporate tax rate to 25% is to apply with effect from 1 April 2023. This rate change was substantively enacted on 24 May 2021 and has been reflected in these financial statements.

Notes to the financial statements (continued)

11. Tangible assets

Group	Fixtures & Fittings £000	Plant & machinery £000	Motor vehicles £000	Furniture & equipment £000	Total £000
Cost					
At 1 January 2024	1,556	1,156	138	1,018	3,868
Additions	44	152	4	43	243
Disposals	-	(66)	(26)	(8)	(100)
Exchange movements	(33)	(37)	(8)	(32)	(110)
At 31 December 2024	1,567	1,205	108	1,021	3,901
Accumulated depreciation					
At 1 January 2024	779	807	98	799	2,483
Charge for the year	160	213	16	67	456
On disposals	-	(12)	(26)	(7)	(45)
Exchange movements	(19)	(29)	(6)	(30)	(84)
At 31 December 2024	920	979	82	829	2,810
Net book value					
At 31 December 2024	647	226	26	192	1,091
At 31 December 2023	777	349	40	219	1,385
Company	Fixtures & Fittings £000	Plant & machinery £000	Motor vehicles £000	Furniture & equipment £000	Total £000
Cost					
At 1 January 2024	983	619	110	567	2,279
Additions	36	62	4	20	122
Disposals	-	-	-	-	-
Exchange movements	(6)	(13)	(7)	(12)	(38)
At 31 December 2024	1,013	668	107	575	2,363
Accumulated depreciation					
At 1 January 2024	523	444	70	396	1,433
Charge for the year	91	95	16	31	233
On disposals	-	-	-	-	-
Exchange movements	(5)	(10)	(5)	(11)	(31)
At 31 December 2024	609	529	81	416	1,635
Net book value					
At 31 December 2024	404	139	26	159	728
At 31 December 2023	460	175	40	171	846

Notes to the financial statements (continued)**12. Investments**

	Group investments £000	Company investments £000
Cost		
At 1 January 2024	11	3,949
Additions	-	-
	<u>11</u>	<u>3,949</u>
At 31 December 2024	<u>11</u>	<u>3,949</u>
Accumulated Impairment		
At 1 January 2024	-	3,566
Movement in the year	-	-
	<u>-</u>	<u>-</u>
At 31 December 2024	<u>-</u>	<u>3,566</u>
Net book value		
	<u>11</u>	<u>383</u>
At 31 December 2024	<u>11</u>	<u>383</u>
At 31 December 2023	<u>11</u>	<u>383</u>

The Group and Company investments include an £11k investment representing a 12.5% interest in ABS Mideast Ltd and a 1% investment in ABS Mozambique Limited. The remaining Company investments are investments in subsidiaries.

Annually the directors undertake a review of the carrying value of the investments in subsidiaries. As a result of this review, the directors concluded that there had been no fundamental change in the expected long term prospects for the subsidiaries and therefore no change in the level of impairment provision recognised.

Details of the principal subsidiaries can be found under note 25.

**13. Debtors:
Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade debtors	3,728	2,611	713	641
Amounts owed by Group undertakings	47,048	52,689	41,804	44,504
Amounts recoverable on contracts	-	61	-	-
Corporation tax recoverable	769	74	756	74
Other debtors	1,225	1,084	683	549
Prepayments and accrued income	493	1,119	341	502
Deferred tax asset (see note 16)	1,595	1,567	1,595	1,567
	<u>54,858</u>	<u>59,205</u>	<u>45,892</u>	<u>47,837</u>

Notes to the financial statements (continued)

13. Debtors:

Amounts falling due within one year (continued)

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.
The deferred tax amounts are recoverable in greater than one year.

14. Creditors:

Amounts falling due within one year

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade creditors	363	436	289	188
Amounts owed to Group undertakings	5,514	5,411	-	-
Corporation tax payable	2,103	2,071	1,770	1,692
Other creditors	3,205	9,511	1,409	1,562
Accruals and deferred income	6,802	6,346	4,676	3,986
	17,987	23,775	8,144	7,428
	17,987	23,775	8,144	7,428

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

15. Creditors:

Amounts falling due after more than one year

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Other pension schemes	160	90	160	90
	160	90	160	90
	160	90	160	90

The amount in other pension schemes refers to amounts that ABS Europe Limited has committed to pay in respect of certain pension scheme arrangements but has not, to date, done so and does not expect to have to settle in the next 12 months.

Notes to the financial statements (continued)

16. Deferred tax asset

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
At beginning of year	1,567	1,135	1,567	1,135
Amount credited to profit and loss account in year	197	71	197	71
Amount (debited)/credited to other comprehensive income in the year	(98)	380	(98)	380
Foreign exchange adjustments	(71)	(19)	(71)	(19)
At end of year	<u>1,595</u>	<u>1,567</u>	<u>1,595</u>	<u>1,567</u>

The deferred tax asset is made up as follows:

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Accelerated capital allowances	-	-	-	-
Deferred tax on overseas pension schemes	1,595	1,567	1,595	1,567
Net operating losses	-	-	-	-
Amounts deductible in future periods due to currency revaluations	-	-	-	-
Other timing differences	-	-	-	-
	<u>1,595</u>	<u>1,567</u>	<u>1,595</u>	<u>1,567</u>

A deferred tax asset of £780,000 (2023: £1,135,000) has not been recognised in respect of unutilised net operating losses and other short term timing differences in the subsidiary companies. These will potentially be available to relieve against future profits of the companies in which they arise, but have not been recognised given this uncertainty.

Notes to the financial statements (continued)

16. Deferred tax asset (continued)

Summary of DTA not recognised	2024	2023
	£000	£000
ABS Group Limited	-	815
ABS Marine Services Limited	262	320
ABS Europe Limited (UK branch)	518	-
	780	1,135

Gross values of tax losses	2024	2023
	£000	£000
ABS Group Limited	-	3,260
ABS Marine Services Limited	1,046	1,282
ABS Europe Limited (UK branch)	2,071	-
	3,117	4,542

Expected DTA/DTL net reversal in next 12 months	2024	2023
	£000	£000
Tax losses utilisation (United Kingdom)	-	-
	-	-

Deferred tax liability on UK defined benefit pension scheme asset

	Group and Company
	£000
Opening net deferred tax liability on pension surplus	(3,526)
Amount debited to profit and loss account during the year	(389)
Amounts debited to other comprehensive income during the year	(590)
Closing net deferred tax liability on pension surplus	(4,505)

There is also a deferred tax liability of £32,000 (2023: £24,000) on the Belgium defined benefit pension scheme asset.

Notes to the financial statements (continued)

16. Deferred tax asset (continued)

Deferred tax on timing differences

	Group and Company £000
Opening net deferred tax liability on accelerated capital allowances	(55)
Amount credited to profit and loss account in year	33
	<hr/>
Closing net deferred tax liability on accelerated capital allowances	(22)
	<hr/> <hr/>

17. Provisions

Group	Group Severance Provision £000	Deferred Tax Provision £000	Total £000
At 1 January 2024	2,504	3,603	6,107
Charged to the profit and loss account in year	295	357	652
Amounts debited to other comprehensive income during the year	-	599	599
Payments	(194)	-	(194)
Foreign exchange movements	(114)	-	(114)
	<hr/>	<hr/>	<hr/>
At 31 December 2024	2,491	4,559	7,050
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The severance provision relates to a statutory provision for retirement lump sum costs as required in certain countries where the Group has operations and employees.

Company	Deferred Tax Provision £000	Total £000
At 1 January 2024	3,603	3,603
Charged to the profit and loss account in year	357	357
Amounts debited to other comprehensive income during the year	599	599
	<hr/>	<hr/>
At 31 December 2024	4,559	4,559
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements (continued)
18. Share capital

	2024	2023
	£000	£000
Allotted, called up and fully paid		
3,534,064 Ordinary shares of £1 each	3,534	3,534
	<u>3,534</u>	<u>3,534</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

19. Non-controlling interests**Group**

The movement in non-controlling interests was as follows:

	2024	2023
	£000	£000
At 1 January	6	21
Total comprehensive income/(expense) attributable to non-controlling interests	1	(15)
	<u>7</u>	<u>6</u>
At 31 December	<u>7</u>	<u>6</u>

Notes to the financial statements (continued)

20. Pension commitments

The Group operates several defined contributions pension schemes. The pension charge for the period represents contributions payable by the Company to the defined contribution schemes amounting to £0.4 million (2023: £0.3 million).

In addition the Group has a number of defined benefit pension schemes, the details of which are set out below.

UK

In the UK the Company operates a pension scheme providing both pensions in retirement and death benefits to members. Pension benefits are related to the members' final salary at retirement and their length of service.

A full actuarial valuation of the scheme using the projected unit credit method, was carried out as at 31 December 2022 and has been updated to 31 December 2024 by a qualified independent actuary. The last full valuation was carried out at 31 December 2022.

The most recent actuarial valuation showed that the market value of the scheme's assets was £75.6 million at 31 December 2024 (2023: £77.6 million) and that the actuarial value of the assets represented 131% (2023: 122%) of the benefits that had accrued to members, before allowing for expected future increases in earnings.

Germany

In Germany the Company operates a pension scheme providing benefits based on final pensionable pay. The pension is unfunded in accordance with German law. The latest actuarial valuation was carried out at 31 December 2024 by a qualified independent actuary.

The most recent actuarial valuation showed that the market value of the scheme's assets was £nil at 31 December 2024 (2023: £nil) and that the actuarial value of the assets represented nil% (2023: nil%) of the benefits that had accrued to members, before allowing for expected future increases in earnings.

Netherlands

In the Netherlands the Company operates a pension scheme providing benefits based on final pensionable pay. The scheme is an insured pension scheme in accordance with Dutch law. The latest valuation was carried out at 31 December 2024 by a qualified independent actuary.

The most recent actuarial valuation showed that the market value of the scheme's assets was £10.3 million at 31 December 2024 (2023: £11.2 million) and that the actuarial value of the assets represented 94% (2023: 94%) of the benefits that had accrued to members, before allowing for expected future increases in earnings.

Belgium

In Belgium the Company operates a pension scheme providing benefits based on final pensionable pay. The scheme is an insured pension scheme in accordance with Belgian law. The latest full valuation was carried out at 31 December 2024 by a qualified independent actuary.

The most recent actuarial valuation showed that the market value of the scheme's assets was £1.0 million at 31 December 2024 (2023: £0.9 million) and that the actuarial value of the assets represented 74% (2023: 70%) of the benefits that had accrued to members, before allowing for expected future increases in earnings.

Notes to the financial statements (continued)

20. Pension commitments (continued)

Spain

In Spain the Company operates a pension scheme providing benefits based on final pensionable pay. The scheme is an insured pension scheme in accordance with Spanish law. The latest valuation was carried out at 31 December 2024 by a qualified independent actuary.

The most recent actuarial valuation showed that the market value of the scheme's assets was £2.1 million at 31 December 2024 (2023: £2.6 million) and that the actuarial value of the assets represented 100% (2023: 100%) of the benefits that had accrued to members, before allowing for expected future increases in earnings.

The major assumptions used in the valuations:

Assumptions at 2024	UK	Germany	Netherlands	Belgium	Spain
	%	%	%	%	%
Rate of increase in salaries	3.05	2.80	2.30	3.10	2.70
Rate of increase in pensions payment and deferred pensions	2.90	2.10	-	-	-
Discount rate applied to scheme liabilities	5.50	3.49	3.62	3.59	3.73
Inflation assumption	2.95	2.10	2.10	2.10	2.10
Mortality assumptions:					
Longevity at age 65 for current pensioners					
- Male	22.1	21.4	21.6	N/A	25.1
- Female	23.9	24.8	24.6	N/A	29.3
Longevity at age 65 for future pensioners					
- Male	23.4	24.1	23.7	N/A	27.3
- Female	25.3	27.0	26.5	N/A	30.7
Assumptions at 2023	UK	Germany	Netherlands	Belgium	Spain
	%	%	%	%	%
Rate of increase in salaries	2.90	2.80	2.20	3.20	2.70
Rate of increase in pensions payment and deferred pensions	2.80	2.20	-	-	-
Discount rate applied to scheme liabilities	4.52	3.43	3.35	3.32	3.39
Inflation assumption	2.85	2.20	2.20	2.20	2.20
Mortality assumptions:					
Longevity at age 65 for current pensioners					
- Male	22.3	21.3	21.5	N/A	25.1
- Female	24.5	24.7	24.5	N/A	29.3
Longevity at age 65 for future pensioners					
- Male	23.6	24.0	23.6	N/A	27.3
- Female	25.9	26.9	26.5	N/A	30.7

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Notes to the financial statements (continued)

20. Pension commitments (continued)

ABS Europe expects to contribute the following during the next annual period ended 31 December 2025.

	2025	2024
	£000	£000
UK	1,516	2,415
Germany	128	122
Netherlands	465	319
Belgium	139	132
Spain	172	206
	<u><u> </u></u>	<u><u> </u></u>

2024	UK	Germany	Netherlands	Belgium	Spain	Total
Pension asset classes:	£000	£000	£000	£000	£000	£000
Equities	15,079	-	-	-	-	15,079
Fixed Interest and Index- Linked Gilts	37,066	-	-	-	-	37,066
Corporate Bonds	13,594	-	-	-	-	13,594
Real Estate	2,052	-	-	-	-	2,052
Cash	7,773	-	-	-	-	7,773
Group Insurance	-	-	10,340	1,043	2,108	13,491
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fair value of scheme assets	75,564	-	10,340	1,043	2,108	89,055
Present value of scheme liabilities	(57,545)	(9,122)	(10,977)	(1,409)	(2,108)	(81,161)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Gross pension surplus/(deficit)	18,019	(9,122)	(637)	(366)	-	7,894
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

2023	UK	Germany	Netherlands	Belgium	Spain	Total
Pension asset classes:	£000	£000	£000	£000	£000	£000
Equities	15,828	-	-	-	-	15,828
Fixed Interest and Index- Linked Gilts	40,134	-	-	-	-	40,134
Corporate Bonds	16,081	-	-	-	-	16,081
Real Estate	3,477	-	-	-	-	3,477
Cash	2,103	-	-	-	-	2,103
Group Insurance	-	-	11,163	948	2,599	14,710
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fair value of scheme assets	77,623	-	11,163	948	2,599	92,333
Present value of scheme liabilities	(63,521)	(9,271)	(11,882)	(1,349)	(2,599)	(88,622)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Gross pension surplus/(deficit)	14,102	(9,271)	(719)	(401)	-	3,711
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

The Company establishes the long-term expected rate of return on plan assets by developing a forward-looking, long-term result assumption for each asset class, taking into account factors such as the market yield of bond investments of appropriate duration and the expected outperformance for other asset classes based on analysis of long-term historical trends. A single long-term rate assumption is then calculated as the weighted average of the long-term return assumption for each asset class, based on the target asset allocation.

The plan assets do not include any of the group's financial instruments nor is any real estate occupied by any group entity.

Notes to the financial statements (continued)

20. Pension commitments (continued)

The amounts recognised in the Consolidated Income Statement and in the Consolidated Statement of Comprehensive Income for the year are analysed as follows:

2024

Recognised in the Consolidated Income Statement

	UK £000	Germany £000	Netherlands £000	Belgium £000	Spain £000	Total £000
Current service cost	1,650	500	263	133	213	2,759
Past service cost	-	-	-	-	-	-
Recognised in arriving at operating profit	1,650	500	263	133	213	2,759
Net interest (income)/cost on net defined benefit (asset)/ liability	(702)	317	16	11	(3)	(361)
Total recognised in the income statement	948	817	279	144	210	2,398

Taken to other comprehensive income

Return on scheme assets excluding interest income	(6,104)	-	(659)	(21)	(194)	(6,978)
Actuarial gains on the liabilities	8,463	457	496	44	227	9,687
	2,359	457	(163)	23	33	2,709

2023

Recognised in the Consolidated Income Statement

	UK £000	Germany £000	Netherlands £000	Belgium £000	Spain £000	Total £000
Current service cost	1,607	389	270	140	209	2,615
Past service cost	-	-	-	-	-	-
Recognised in arriving at operating profit	1,607	389	270	140	209	2,615
Net interest (income)/cost on net defined benefit (asset)/ liability	(832)	297	15	10	(4)	(514)
Total recognised in the income statement	775	686	285	150	205	2,101

Taken to other comprehensive income

Return on scheme assets excluding interest income	(2,300)	-	73	(23)	226	(2,024)
Actuarial losses on the liabilities	(1,573)	(1,106)	(476)	(25)	(229)	(3,409)
	(3,873)	(1,106)	(403)	(48)	(3)	(5,433)

Notes to the financial statements (continued)

20. Pension commitments (continued)

Analysis of changes in the present value of the defined benefit obligations:

	UK £000	Germany £000	Netherlands £000	Belgium £000	Spain £000	Total £000
As at 31 December 2023	63,521	9,271	11,882	1,349	2,599	88,622
Current service cost	1,650	500	263	133	213	2,759
Past service cost	-	-	-	-	-	-
Interest cost	2,818	317	389	45	81	3,650
Benefits paid	(2,356)	(81)	(508)	(27)	-	(2,972)
Administrative expenses paid	-	-	(17)	-	-	(17)
Contributions by scheme participants	375	-	-	18	-	393
Actuarial (gains)/ losses	(8,463)	(457)	(496)	(44)	(227)	(9,687)
Settlements	-	-	-	-	(446)	(446)
Foreign currency differences	-	(428)	(536)	(65)	(112)	(1,141)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2024	<u>57,545</u>	<u>(9,122)</u>	<u>10,977</u>	<u>1,409</u>	<u>2,108</u>	<u>81,161</u>

Of the defined benefit pension obligations above, £543,000 (2023: £604,000) relates to past directors.

Analysis of changes in the fair value of plan assets

	UK £000	Germany £000	Netherlands £000	Belgium £000	Spain £000	Total £000
As at 31 December 2023	77,623	-	11,163	948	2,599	92,333
Actual return/ (loss) on plan assets	(6,104)	-	(659)	(21)	(194)	(6,978)
Interest income	3,520	-	373	34	84	4,011
Employer contributions	2,506	81	482	137	176	3,382
Contribution by scheme participants	375	-	-	18	-	393
Benefits paid	(2,356)	(81)	(508)	(27)	-	(2,972)
Administrative expenses paid	-	-	(17)	-	-	(17)
Settlements	-	-	-	-	(446)	(446)
Foreign currency differences	-	-	(494)	(46)	(111)	(651)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2024	<u>75,564</u>	<u>-</u>	<u>10,340</u>	<u>1,043</u>	<u>2,108</u>	<u>89,055</u>

Notes to the financial statements (continued)

20. Pension commitments (continued)

The return on plan assets was:

2024	UK £000	Germany £000	Netherlands £000	Belgium £000	Spain £000	Total £000
Interest income	3,520	-	373	34	84	4,011
Return/ (loss) on plan assets less interest income	(6,104)	-	(659)	(21)	(194)	(6,978)
Total return on plan assets	(2,584)	-	(286)	13	(110)	(2,967)
2023	UK £000	Germany £000	Netherlands £000	Belgium £000	Spain £000	Total £000
Interest income	3,569	-	408	34	93	4,104
Return/ (loss) on plan assets less interest income	(2,300)	-	73	(23)	226	(2,024)
Total return on plan assets	1,269	-	481	11	319	2,080

Notes to the financial statements (continued)

20. Pension commitments (continued)

International Benefit Plan

Certain foreign employees of the Company are members of a funded defined benefit pension scheme of the American Bureau of Shipping, the details of which are disclosed in the consolidated accounts of the American Bureau of Shipping, an entity incorporated by special statute in the United States of America.

Because the Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis the scheme will be accounted for by the Company as if the scheme was a defined contribution scheme.

The latest full actuarial valuation was carried out at 31 December 2024 using 1 January 2024 census data by a qualified actuary. The market value of the Group scheme's assets was \$89.8m (2023 \$95.1m) and the present value of the scheme's liabilities which are derived from cash flow projections over a long period and are thus inherently uncertain were \$71.9m (2023 \$75.4m) giving rise to a scheme surplus of \$17.9m (2023 \$19.7m) before taking account of any deferred tax asset.

The Company is one of a number of participating employers and the implications of any surplus or deficit are considered on a Group basis.

21. Operating lease commitments

Minimum Lease payments under non-cancellable operating leases fall due as follows:

Group	2024 £000	2023 £000
Land & Buildings		
Within 1 year	1,398	792
Between 2 and 5 years	2,143	2,694
After more than 5 years	126	-
	<u> </u>	<u> </u>
Other		
Within 1 year	26	42
Between 2 and 5 years	44	37
After more than 5 years	-	3
	<u> </u>	<u> </u>

22. Capital commitments

At 31 December 2024, the Group had entered into contractual commitments for the acquisition of property, plant, and equipment amounting to £985,000 (2023: £nil).

These commitments relate to the Hellenic Ship Safety Center and are expected to be settled within the next 12 months.

Company

The Company had no capital or other commitments at 31 December 2024 (2023: £nil).

Notes to the financial statements (continued)

23. Contingent liabilities

As disclosed in Note 25, some of the Company's subsidiaries have taken advantage of the exemption available under Section 479A of the Companies Act 2006 in respect of the requirement to prepare individual financial statements for audit. As a condition of the exemption, the Company has guaranteed the year-end liabilities of the relevant subsidiaries until they are settled in full. The gross liabilities of the subsidiaries at the year-end was £14,686,000 (2023: £14,716,000).

24. Ultimate parent undertaking

The American Bureau of Shipping is the Company's ultimate controlling party by virtue of its direct holding of 100% of the Company's issued share capital.

The Company is a subsidiary undertaking of the American Bureau of Shipping, an entity incorporated by special statute in the United States of America.

The largest group in which the results of the Company are consolidated is that headed by The American Bureau of Shipping. The accounts are available from the following address:

1701 City Plaza Drive
Spring
Texas
TX 77389
USA

Notes to the financial statements (continued)

25. Subsidiaries

ABS Europe Limited directly holds the percentage of ordinary shares and voting rights in the following subsidiaries:

Company name	Registered Office	Percentage Shareholding	Description
ABS Marine Services Limited	111 Old Broad Street London EC2N 1AP	99	Marine Services
ABS Group Limited	EQE House The Beacons Warrington Road Birchwood Warrington Cheshire WA3 6WJ	100	Industrial verification
ABS Italy Srl	GENOVA (GE) VIA AL PORTO ANTICO - EDIFICIO MILLO CAP 16126 Italy	99	Classification services
ABS Hellas	PARADEISOU 10 MAROUSSI ATHENS Greece 15125	99	Dormant
ABS Hellenic Single Member Ltd	SACHTOURI -1 & NAVARINOU-1 KΑΛΛΙΘΕΑ ATHENS Greece 17674	100	Classification services
ABS Europe (Ghana) Limited	Woolworth Building First Floor 60 Liberation Road, Airport Accra Ghana	100	Holding company
ABS Europe (Ghana) Upstream Limited	Woolworth Building First Floor 60 Liberation Road, Airport Accra Ghana	90 [±]	Classification services

[±] Indirect interest

All the entities above have been included in the Group consolidation and the subsidiary accounts are filed in the relevant countries.

Notes to the financial statements (continued)**25. Subsidiaries (continued)**

The following subsidiary undertakings are exempt from the requirement to have their financial statements audited under Section 479A of the Companies Act 2006, as the parent company, ABS Europe Ltd, has provided a guarantee for all outstanding liabilities as at the end of the financial year:

1. ABS Group Ltd
Company Number: 02562245

2. ABS Marine Services Ltd
Company Number: 02562242

In accordance with the provisions of Section 479C of the Companies Act 2006, the parent company has guaranteed the liabilities of the above subsidiaries. As a result, these subsidiaries have taken advantage of the exemption from audit for the financial year ended 31 December 2024.