

Company registration number 00896844 (England and Wales)

**SAYBOLT UNITED KINGDOM LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

# SAYBOLT UNITED KINGDOM LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	D Davies P Boks
<b>Secretary</b>	TMF Corporate Administration Services Limited
<b>Company number</b>	00896844
<b>Business address</b>	Unit 4A J31 Park Motherwell Way West Thurrock Grays Essex RM20 3XD
<b>Registered office</b>	c/o TMF Group 13th Floor One Angel Court London United Kingdom EC2R 7HJ
<b>Auditor</b>	Azets Audit Services 37 Albyn Place Aberdeen United Kingdom AB10 1JB
<b>Bankers</b>	National Westminster Bank Plc 1 Princes Street London EC2R 8PA

---

# SAYBOLT UNITED KINGDOM LIMITED

## CONTENTS

---

	<b>Page</b>
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12 - 22

---

# SAYBOLT UNITED KINGDOM LIMITED

## STRATEGIC REPORT

### *FOR THE YEAR ENDED 31 DECEMBER 2023*

---

The directors present the strategic report for the year ended 31 December 2023.

At 31 December 2023, Saybolt United Kingdom Limited (also referred to as the "company") is one of the entities within the "Core Laboratories Group". In this context the term "Core Laboratories Group" and "Companies of the Core Laboratories Group" or "Group companies" means companies in which Core Laboratories Inc, either directly or indirectly, has control either through a majority of the voting rights or the right to exercise a controlling influence or to obtain the majority of the benefits and be exposed to the majority of the risks. There was a change in ultimate parent undertaking and controlling party during the year (See note 19 for details).

#### **Principal activities**

The principal activities of Saybolt United Kingdom Limited are marine bulk oil inspections, cargo superintendents, fuels testing laboratories and analysis. We are an independent inspection company providing impartial assessment of both fuel quantity and quality to customers. To do this requires specialised equipment, technologies and expertise. Our traditional markets are for the monitoring of imports/exports to and from UK refineries and terminals.

#### **Review of the business and future developments**

2023 continued to be a very demanding year. There was more stability in the market in the first half of the year with an increase in demand by the end-user more in-line with the usual expectations however, Q4 saw a downturn due to the financial uncertainty and shipping delays caused by the Israel / Gaza conflict and its wider implications in the Red Sea area. Despite those headwinds we achieved budgeted revenue for 2023 bringing the year to a successful close, with the whole team involved in achieving this goal.

Q1 of 2024 performed favourably however, in Q2 one of the major refineries in the North East had a maintenance turnaround, which affected our revenue stream in that area. Effective cost control mitigated part of this reduction but effects were still felt. Q3 saw the start of 1 new contract in the same area and a new tender was won increasing the revenue in one of our longstanding UK contracts, which assisted in off-setting the downturn in Q2. With the appointment of a new experienced member of the team, we are now able to take advantage of the lucrative ship-to-ship opportunities that arise which will assist in meeting our budget target by year end.

Direct client meetings continue to cement confidence in our services, and the exemplary efforts of the UK team to deliver high quality service have reinforced this, leading to the improvement in revenue observed. Utilising market intelligence, excellent customer service and regularly networking with clients remain key in maintaining and growing our market share. Although there is tentative optimism going forward, strong cost controls in combination with structured investment and expansion of capabilities and resource, will still be required to navigate the year. We remain committed to ensuring adequate operational capabilities are maintained within the company in order not to impact current and potential new workflows. We continue to monitor developing markets and new revenue streams to take full advantage of any arising opportunities wherever and whenever possible.

#### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. The oil and gas industry is highly cyclical and demand for our services is substantially dependant on market forces and demand for fuels, which are very sensitive to oil and natural gas prices and generally dependent upon the industry's view of future oil and gas prices. There are a number of factors which affect the supply of and demand for our services and they are as follows:

- Geopolitical uncertainty in the Middle East;
- The Russia/Ukraine conflict;
- General and economic business conditions;
- Market prices of oil and gas and expectations about future prices;
- Cost of refining oil products;
- General demand for fuels;
- Mergers, consolidations and downsizing among our clients;
- The impact of commodity prices on the expenditure levels of our clients;
- Financial condition of our client base and their ability to fund capital expenditures;
- The adoption of legal requirements or taxation that lowers the demand for petroleum-based fuels;
- Changes in existing laws, regulations or other governmental actions;
- Availability of services and materials for our clients to grow their capital expenditures; and
- Availability of materials and equipment from key suppliers.

# SAYBOLT UNITED KINGDOM LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

---

### Key performance indicators

The company's directors monitor progress and strategy by reference to the following KPIs:

	2023	2022	Definition and analysis
Turnover Growth	12.26%	12.65%	Increase in turnover year on year. Increase due to raised demand for inspection services and lab analysis throughout the year with improved market share
Gross Profit Margin	35.15%	30.80%	Gross profit as a percentage of turnover. Improved GPM due to higher revenue and continued focus on cost control.
Day sales outstanding	65 days	67 days	360 divided by revenue turns, where revenue turns are the last three months revenue annualised and divided by trade receivable balance. Still not at target of <45 days but additional changes to workflow will start to show the desired improvement. These changes included implementing improved credit control systems with closer personal interaction with the client base.

On behalf of the board

D Davies  
**Director**

27 September 2024

# **SAYBOLT UNITED KINGDOM LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2023***

---

The directors present their annual report and financial statements for the year ended 31 December 2023.

#### **Future developments**

In addition to the strategic report, the development and position of the company, is discussed in the Group's annual report and Form 10-K of its ultimate parent, Core Laboratories Inc.

#### **Results and dividends**

The results for the company show a profit before taxation of £290,112 (2022: £321,958) and turnover of £2,365,147 (2022: £2,106,796). The company had cash at bank and in hand of £19,954 (2022: £17,815) at 31 December 2023.

The profit for the financial year amounted to £306,390 (2022: £292,225) and was transferred to Profit and loss account.

The financial position of the company is set out on page 10.

The directors do not propose payment of a dividend (2022: £Nil).

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Davies  
P Boks

#### **Financial risk management**

The company's operations are primarily in the UK which exposes the company to financial risks that include foreign exchange risk, credit risk and interest rate risk

##### **(a) Foreign exchange risk**

The company is exposed to foreign currency risk on transactions where sales, purchases and borrowings which are in currencies other than the company's functional currency. It is not considered that a significant foreign currency risk exists from trading activities as the majority of business transactions are carried out in pounds sterling. The main foreign exchange risk is within the intercompany balances that are maintained in currencies other than the company's functional currency – primarily US Dollar balances. Management believe that the company's exposure is manageable and therefore it does not enter into forward exchange contracts.

##### **(b) Credit risk**

The company has no significant concentrations of credit risk. The company has implemented policies that require appropriate credit checks on potential customers before sales commence. The company has implemented policies which require only minimum balances to be held locally in cash and deposits with financial institutions.

##### **(c) Interest rate risk**

The company has interest bearing assets. Interest rate risk arises from the fluctuations in market rates, which may have a negative effect on current and future developments of the company. Management note that the company's exposure to interest rate risk is restricted to intercompany activities and therefore it does not enter into hedging arrangements.

#### **Qualifying third party indemnity provisions**

All directors of the company are covered under our directors and officers insurance policy which is a qualifying third party indemnity provision. This provision was in force during the financial year and also at the date of approval of the financial statements.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

# **SAYBOLT UNITED KINGDOM LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

---

### **Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Azets Audit Services will therefore continue in office.

On behalf of the board

D Davies

**Director**

27 September 2024

# **SAYBOLT UNITED KINGDOM LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023**

---

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# SAYBOLT UNITED KINGDOM LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SAYBOLT UNITED KINGDOM LIMITED

---

#### Opinion

We have audited the financial statements of Saybolt United Kingdom Limited (the 'company') for the year ended 31 December 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine 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 our audit:

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

# **SAYBOLT UNITED KINGDOM LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SAYBOLT UNITED KINGDOM LIMITED**

---

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

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

# SAYBOLT UNITED KINGDOM LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF SAYBOLT UNITED KINGDOM LIMITED

---

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

**David Booth**  
**Senior Statutory Auditor**  
**For and on behalf of Azets Audit Services**

27 September 2024

**Chartered Accountants**  
**Statutory Auditor**

37 Albyn Place  
Aberdeen  
United Kingdom  
AB10 1JB

# SAYBOLT UNITED KINGDOM LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
<b>Turnover</b>	<b>3</b>	2,365,147	2,106,796
Cost of sales		(1,533,805)	(1,457,894)
<b>Gross profit</b>		831,342	648,902
Administrative expenses		(538,466)	(496,551)
<b>Operating profit</b>	<b>4</b>	292,876	152,351
Interest receivable and similar income	<b>7</b>	91,732	169,607
Interest payable and similar expenses	<b>8</b>	(94,496)	-
<b>Profit before taxation</b>		290,112	321,958
Tax on profit	<b>9</b>	16,278	(29,733)
<b>Profit for the financial year</b>		306,390	292,225

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

# SAYBOLT UNITED KINGDOM LIMITED

## STATEMENT OF FINANCIAL POSITION

**AS AT 31 DECEMBER 2023**

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	<b>10</b>		158,870		245,031
<b>Current assets</b>					
Debtors (£1,238,292 (2022: £1,145,821) due after more than one year)	<b>11</b>	1,952,795		1,583,532	
Cash at bank and in hand		19,954		17,815	
		<u>1,972,749</u>		<u>1,601,347</u>	
<b>Creditors: amounts falling due within one year</b>	<b>12</b>	<u>(464,796)</u>		<u>(469,667)</u>	
<b>Net current assets</b>			<u>1,507,953</u>		<u>1,131,680</u>
<b>Total assets less current liabilities</b>			<u>1,666,823</u>		<u>1,376,711</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	<b>13</b>	<u>14,739</u>		<u>31,017</u>	
			<u>(14,739)</u>		<u>(31,017)</u>
<b>Net assets</b>			<u><u>1,652,084</u></u>		<u><u>1,345,694</u></u>
<b>Capital and reserves</b>					
Called up share capital	<b>16</b>		178,400		178,400
Capital contribution reserve			241,154		241,154
Profit and loss account			<u>1,232,530</u>		<u>926,140</u>
<b>Total shareholder funds</b>			<u><u>1,652,084</u></u>		<u><u>1,345,694</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 27 September 2024 and are signed on its behalf by:

D Davies  
**Director**

**Company Registration No. 00896844**

# SAYBOLT UNITED KINGDOM LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital £	Capital contribution reserve £	Profit and loss account £	Total shareholder funds £
<b>Balance at 1 January 2022</b>	178,400	241,154	633,915	1,053,469
<b>Year ended 31 December 2022:</b>				
Profit and total comprehensive income for the year	-	-	292,225	292,225
<b>Balance at 31 December 2022</b>	178,400	241,154	926,140	1,345,694
<b>Year ended 31 December 2023:</b>				
Profit and total comprehensive income for the year	-	-	306,390	306,390
<b>Balance at 31 December 2023</b>	178,400	241,154	1,232,530	1,652,084

# SAYBOLT UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2023**

---

### **1 Accounting policies**

#### **Company information**

Saybolt United Kingdom Limited ("the company") is principally engaged in marine bulk oil inspections, cargo superintendents, fuels testing laboratories and analysis. The company is a private company limited by shares and is incorporated and domiciled in England. The registered number is 00896844 and the registered address is 13th Floor, One Angel Court, London, EC2R 7HJ.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Core Laboratories Inc. These consolidated financial statements are available from its registered office, 6316 Windfern Road, Houston, TX 77040, United States.

# SAYBOLT UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### 1 Accounting policies

(Continued)

##### 1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Directors Report. The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

At the financial year-end, the Company had positive net current assets of £1,507,953, net assets of £1,652,084, cash balance of £19,954. The Company has no external borrowings.

At the date of signing these financial statements, the Russia/Ukraine conflict continues to affect global economies. The Company has, throughout this period, continued to trade without interruption. However, the length of the conflict is uncertain, and a long period of sustained higher oil prices may negatively affect demand for some of the Company's services. The nature of the Company's business is such that there is reasonable visibility as to order books in the next 12 months. Beyond this, there is expected to be greater unpredictable variation in the value and timing of cash inflows from customers.

As a result, the directors have prepared projected cash flow information for the twelve months from the date of approval of these financial statements, which includes an additional severe but reasonably plausible downside scenario in which revenues are restricted through lower demand for services throughout the forecasted period; and directors would have taken action to reduce the scale of the business.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

##### 1.3 Turnover

Turnover represents the value of services, both inspection and lab analysis, stated net of value added tax and trade discounts.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the customer, including where they are based on contractual rates; (b) the company retains no continuing involvement or control over the deliverables; (c) the amount of revenue can be measured reliably; and (d) it is probable that future economic benefit will flow to the entity.

##### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	10-40 years straight line
Leasehold improvements	10-40 years straight line
Plant and equipment	3-10 years straight line

Freehold land and assets under construction are not depreciated. This includes land held within Freehold land and buildings.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# SAYBOLT UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

---

### 1 Accounting policies

(Continued)

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# SAYBOLT UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

---

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.8 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.9 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### **Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### **1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# SAYBOLT UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

---

### **1 Accounting policies**

**(Continued)**

#### **1.11 Retirement benefits**

The company provides pensions to all employees through a defined contribution pension scheme. The assets of the scheme are held separately from those of the company. Contributions are charged to the profit and loss account as they become due and payable.

#### **1.12 Share-based payments**

Core Laboratories Inc. grants restricted share awards under a share incentive plan, the 2007 Long-Term Incentive Plan (the "Plan"). Awards under the Plan have been made through a compensation program, the Restricted Share Award Program ("RSAP").

Core Laboratories Inc. issues shares from either treasury stock or authorized shares upon the lapsing of vesting restrictions on restricted stock awards. All restricted share awards are equity settled.

Under the RSAP certain Saybolt United Kingdom Limited employees and directors were awarded grants. Each of these grants has a vesting period of principally five years and vest on an annual basis. There are no performance accelerators for early vesting for these awards. Awards under the RSAP are classified as an equity award and recorded at the grant-date fair value and the compensation expense is being recognized over the expected life of the award. A charge is booked to the income statement as an employee benefit expense for the fair value of share awards expected to vest, accrued over the vesting period. The corresponding credit is initially taken to retained earnings, which is subsequently reversed on the recognition of the group recharge in respect of the share based payment expense. All share awards are at a £nil exercise price and the fair value of the share awards is the grant-date market value on the date of the award.

#### **1.13 Leases**

Rentals relating to assets held under operating leases are charged to the profit and loss account as incurred.

#### **1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### **1.15**

##### **Interest receivable and similar income**

Interest receivable and similar income include interest receivable on funds invested and intercompany loans. Interest income is recognised in profit or loss as they accrue, using the effective interest method.

#### **1.16 Interest payable and similar expenses**

Interest payable and similar expenses include interest payable on loan notes and net foreign losses. Interest payable is recognised in the profit or loss as they accrue, using the effective interest method.

### **2 Judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes an estimate when assessing recoverability of intercompany debtors. There are no material estimates or judgements in these financial statements.

# SAYBOLT UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 3 Turnover

	2023 £	2022 £
<b>Turnover analysed by class of business</b>		
Inspection services	1,269,232	1,298,000
Laboratory analysis	1,095,915	808,796
	<u>2,365,147</u>	<u>2,106,796</u>

	2023 £	2022 £
<b>Turnover analysed by geographical market</b>		
Europe	2,355,832	2,100,205
Americas	9,315	6,591
	<u>2,365,147</u>	<u>2,106,796</u>

### 4 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	89,996	90,950
Operating lease charges	258,595	246,267
	<u>348,591</u>	<u>337,217</u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Inspection/laboratory staff	16	16
Management and administration	3	3
	<u>19</u>	<u>19</u>

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	661,856	620,809
Social security costs	83,000	76,566
Pension costs	26,537	23,359
Share based payments	7,616	10,146
	<u>779,009</u>	<u>730,880</u>

# SAYBOLT UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	65,640	64,672
Company pension contributions to defined contribution schemes	2,403	2,376
	<u>68,043</u>	<u>67,048</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 1 (2022 - 1).

### 7 Interest receivable and similar income

	2023 £	2022 £
<b>Interest income</b>		
Interest receivable from group companies	91,732	44,873
Net foreign exchange gain	-	124,734
	<u>91,732</u>	<u>169,607</u>

### 8 Interest payable and similar expenses

	2023 £	2022 £
Interest payable to group undertakings	4,242	-
Net foreign exchange loss	90,254	-
	<u>94,496</u>	<u>-</u>

### 9 Taxation

	2023 £	2022 £
<b>Corporation tax</b>		
UK corporation tax on profits for the current period	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(16,278)	29,963
Adjustment in respect of prior periods	-	(230)
	<u>(16,278)</u>	<u>29,733</u>
Total deferred tax	(16,278)	29,733
Total tax (credit)/charge	<u>(16,278)</u>	<u>29,733</u>

# SAYBOLT UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 9 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	290,112	321,958
Expected tax charge based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	68,236	61,172
Tax effect of expenses that are not deductible in determining taxable profit	2,043	2,291
Adjustments in respect of prior years	-	(230)
Effect of change in corporation tax rate	(964)	7,191
Group relief received	(84,348)	(38,881)
Other permanent differences	(1,527)	-
Tax relief on share options	-	(1,003)
Transfer pricing adjustments	(1,190)	(520)
Fixed asset differences	1,472	(287)
Taxation (credit)/charge for the year	(16,278)	29,733

The main rate of corporation tax increased from 19% to 25% on 1 April 2023. This increase in rate will have an impact on the company's future tax charges. The company's deferred tax balances as at 31 December 2023 have been calculated based on the rate of 25%.

### 10 Tangible fixed assets

	Freehold land and buildings £	Leasehold improvements £	Plant and equipment £	Total £
<b>Cost</b>				
At 1 January 2023	756,287	14,236	825,438	1,595,961
Additions	-	-	3,835	3,835
At 31 December 2023	756,287	14,236	829,273	1,599,796
<b>Depreciation and impairment</b>				
At 1 January 2023	627,084	4,098	719,748	1,350,930
Depreciation charged in the year	37,818	2,608	49,570	89,996
At 31 December 2023	664,902	6,706	769,318	1,440,926
<b>Carrying amount</b>				
At 31 December 2023	91,385	7,530	59,955	158,870
At 31 December 2022	129,203	10,138	105,690	245,031

# SAYBOLT UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 11 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	399,250	353,702
Amounts owed by group undertakings	1,459,657	1,145,821
Prepayments and accrued income	93,888	84,009
	<u>1,952,795</u>	<u>1,583,532</u>

Amounts owed by group undertakings are unsecured and repayable on demand. They bear an interest rate based on LIBOR up to 25 July 2022, subsequent to this the interest rates are based on SOFR. The amount subject to interest was £1,238,292 (2022: £1,145,821) at 31st December 2023. Amounts owed by group undertakings include £1,238,282 (2022: £1,145,821) expected to be recovered after more than one year.

### 12 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	85,213	73,655
Amounts owed to group undertakings	259,161	259,161
Taxation and social security	46,346	39,648
Other creditors	74,076	97,203
	<u>464,796</u>	<u>469,667</u>

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

### 13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023	Liabilities 2022
Balances:	£	£
Accelerated capital allowances	<u>14,739</u>	<u>31,017</u>
		2023
		£
Liability at 1 January 2023		31,017
Credit to profit or loss		(16,278)
Liability at 31 December 2023		<u>14,739</u>

# SAYBOLT UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 14 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	26,537	23,359

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. There were no outstanding payments at the year end (2022: £Nil)

### 15 Share-based payment transactions

Certain Saybolt United Kingdom Limited employees and directors hold share awards in the ultimate parent company at 31 December 2023, Core Laboratories Inc.

Awards have been made through a compensation program, the Restricted Share Award Program ("RSAP"). The charge in the profit and loss account for this program is £7,616 (2022: £10,146). All long-term incentive compensation is exclusively in the form of restricted share awards and no share options were granted during 2023 (2022: nil).

The terms and conditions of the grants are as follows:

	Method of settlement	Number of outstanding instruments	Vesting conditions	Contractual life of grants
Restricted Share Award Program ("RSAP")	Equity	589	(a)	5 years

The non-vested restricted share awards outstanding as of 31 December 2023 and changes during the year were as follows:

(a) Each of the RSAP grants has a vesting period of principally five years and vest on an annual basis. There are no performance accelerators for early vesting for these awards. Awards under the RSAP are classified as an equity award and recorded at the grant-date fair value and the compensation expense is being recognized over the expected life of the award. All share awards are at a £nil exercise price and the fair value of the share awards is the grant-date market value on the date of the award.

### 16 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	178,400	178,400	178,400	178,400

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

# SAYBOLT UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 17 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	205,038	237,804
Between two and five years	307,380	415,075
In over five years	120,000	192,000
	<u>632,418</u>	<u>844,879</u>

The company had no other off-balance sheet arrangements.

### 18 Related party transactions

The company has taken advantage of the exemption available under FRS 102 'Related party' disclosure not to disclose transactions with other group companies being a wholly owned subsidiary of Core Laboratories Inc. Related party disclosures are included in the financial statements for that group.

### 19 Ultimate controlling party

The immediate parent undertaking is Core Laboratories (U.K.) Limited. The registered address of Core Laboratories (U.K.) Limited is 13th Floor, One Angel Court, London, United Kingdom, EC3R 7HJ.

On 1 May 2023, the group underwent a redomestication process with the aim of simplifying the group structure. The former ultimate parent company, Core Laboratories N.V., merged with Core Laboratories Luxembourg S.A (another group company). Subsequently, Core Laboratories Luxembourg S.A was redomesticated into Delaware, USA. This company then changed name to become Core Laboratories Inc. and therefore the new ultimate parent undertaking and controlling party.

At 31 December 2023 the ultimate parent undertaking and controlling party is Core Laboratories Inc., a company incorporated in The United States of America.

Core Laboratories Inc. is the parent undertaking of the largest and smallest group in which the results of the company are consolidated. The consolidated financial statements of Core Laboratories Inc. are available from 6316 Windfern Road, Houston, TX 77040, United States.

