Registered Number: SC583752

Centurion 3 Limited

Annual Report and Consolidated Financial Statements For the Year Ended 31 December 2021

PARENT ACCOUNTS
FOR SC 08307

Section 479a

Directors and Advisors

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Mr M Raper

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Strategic Report

Centurion 3 Limited ("the Company") and its subsidiary undertakings, collectively referred to as "the Group", is a global leader in the supply of critical rentals and services to a number of end-markets including the energy, minerals, infrastructure, power, environmental and renewable energy industries. The Group has a global reach with operations in key service locations: Canada, America, UK & Europe, Middle East, Caspian, Australia and South East Asia.

The Company is a wholly owned subsidiary of Centurion Group Limited, a Cayman registered company ("the Parent"). The Company's principal activity is to act as a holding company for its subsidiary undertakings.

Business review

Our vision is to build ***a successful, global and sustainable services company*** supporting our chosen end-markets including energy, minerals, infrastructure, power, environmental and renewable sectors. Our focus is on driving growth by building on our strong market position and customer relationships, increasing our range of services, and adding more technical and environmentally sustainable offerings.

Successful refers to our commitment to safety, quality and to consistently delivering superior results compared to our market peers. ***Global*** refers to the strong presence in key markets that creates reach and market access while providing stability and optionality. ***Sustainable*** refers to employee satisfaction, environmental consciousness and a commitment to profitability, cash generation and financial prudence that creates both value and cycle resilience.

This vision is supported through our core values:

- **We Do The Right Thing:** Centurion people are proud of what they do, because we do the right thing every time. We are safe. We are open, transparent and professional. We create value. **We care.**
- **We Do What We Say:** Centurion people are honest, supportive, responsive and easy to work with. We honour every commitment and expect the same from others. We listen. We respect differences. **We develop and deliver fit-for-purpose solutions.**
- **We Work Together:** Centurion people use their skills, knowledge and experience to build positive relationships wherever they can. We work as one team, locally and globally. We learn. We teach. **We actively share knowledge and insight.**
- **We Go The Extra Mile:** Centurion people are hardworking, committed and innovative. Always looking for new ways and new opportunities to improve, large and small. We drive change. **We challenge the status quo.**

Our strategy is working, creating the strong foundation that enabled the Group to successfully navigate the Covid-19 pandemic and returning the Group to growth in 2021. We continue to focus on our three strategic pillars:

- ***Increase scale and diversification:*** Our through-cycle resilience is driven by the Group's scale and diversification across both geographies and segments. We are continuing to build on our market reach through continued diversification at both a geographical and segmental level, specifically in adjacent scopes to enhance our cross selling potential.
- ***Accelerate our cross-selling and differentiation***: We continue to cross-sell to increase the range of services offered to our customers. This enables us to differentiate against competitors with narrower service offerings and deliver an enhanced service to our customers.
- ***Add more technical and environmentally sustainable offerings***: We continue to elevate our technical sophistication to differentiate and compete in more complex projects, while actively participating in both the decarbonisation of the energy industry and the growth of the renewable energy sector.

By achieving the above, we will not only continue to grow but also continue to develop our strong cycle resilience and long-term sustainability.

Strategic Report (continued)

Business review (continued)
The COVID-19 pandemic presented a challenge to every person, country and business around the world. The scale, speed and economic impact of the pandemic was unexpected, requiring companies, governments and many other stakeholders to take unprecedented actions. Following our successful navigation of the onset of the pandemic in 2020, our first priority in 2021 remained the health and safety of our employees and the ongoing compliance with government and regional guidelines in our operating locations.

At the start of the COVID-19 pandemic, the Group deployed its downturn management strategy focusing on safety, cost reduction, cash generation and capital expenditure rationalisation. This was implemented rapidly and successfully. These actions protected our balance sheet, allowed us to continue to generate cash and maintain liquidity through 2020. As a result of these actions, the Group entered 2021 more competitive with the ability to capitalise on recovering markets and the ability to continue to pursue its' organic and acquisition strategy.

2021 was a year of significant progress for the Group and its continuing development, notable highlights include:

- a strong financial performance increasing Revenue and EBITDA whilst investing and reducing leverage;
- increasing our liquidity and attracting two further international banks to our banking consortium;
- implementing our acquisition strategy with three further acquisitions in Canada, UK and Middle East; and
- expanding our product and service offering into more technical and environmentally sustainable offerings whilst continuing to move into adjacent end markets.

Financial Performance
Revenue increased by 35% to $398.4m (2020: $295.0m) reflecting the recovery in the Group's end markets as the impact of the COVID-19 pandemic lessened on the global economy and customer activity.

Gross profit before exceptional and adjusting items increased by 42% to $99.1m (2020: $69.7m), Gross margin before exceptional and adjusting items increased to 25.3% (2020: 23.6%) as the Group was able to capitalise on its operational leverage and flexible business model.

The Group's stability, resilience and sustainability was demonstrated through the continued generation of positive Adjusted EBITDA all the way through the COVID-19 pandemic. Adjusted EBITDA increased by 37.4% to $64.7m (2020: $47.1m) with Adjusted EBITDA margin increasing from 16.0% in 2020 to 16.5% in 2021. This resulted in the Group making an Adjusted Profit After Tax for the year of $3.8m, a significant improvement on 2020's Adjusted Loss After Tax of $10.6m.

On a statutory basis the Profit After Tax for the year was $6.2m, a significant improvement on 2020's Loss After Tax of $34.8m.

Included within the exceptional and adjusting items is the net recovery of $7.0m following final settlement of two large lump sum underground pipeline contracts reported within the Canada region that were contracted in 2018. In the prior year a loss of $0.8m was recognised in exceptional and adjusting items related to the two contracts. The Group no longer undertakes large lump sum underground pipeline contracts.

Refer to note 6 and note 13 of the financial statements for further details of exceptional and adjusting items and impairment charges.

The Group generated $71.8m (2020: $49.8m) cash from operations which allowed us to continue to investing in capital expenditure for revenue enhancing project opportunities in 2021 and to continue with the Group's acquisition strategy. During 2021, the Group invested $26.4m (2020: $23.8m) in capital equipment, of which 46% (2020: 47%) was self-funded from capital equipment disposals. New investment was focussed on technical and value-added offerings supporting our strategy of increasing our scale, segmental and geographic diversification.

Strategic Report (continued)

Business review (continued)
Financial Performance (continued)
During 2021, the Group continued to implement its acquisition strategy and acquired three businesses to enhance its scale and geographic reach whilst adding more technical and environmentally sustainable offerings, as follows:

- In June 2021, the Group acquired Specialist Services based in UAE, UK, India and Singapore, a manufacturer for sale and rental of accommodation and technical buildings and performance enhancing production equipment. This acquisition enhanced the Group's geographic footprint by adding a presence in UAE and India and augmenting our operations in Singapore and UK. It also brought additional technical capabilities, new product and services lines and opportunities in adjacent markets.
- In November 2021, the Group acquired Polar Septic based in Canada, a waste and wastewater treatment business for remote camp locations servicing energy, infrastructure and government end markets. This acquisition enhanced the Group's existing Canadian operations in smaller waste and wastewater treatment plants concentrated in the energy market.
- In December 2021, the Group acquired Aleron based in UK, a subsea services business specialising in highly technical equipment for underwater operations in offshore wind, energy and telecoms markets. This acquisition enhanced the Group's existing UK and US subsea business that provided adjacent equipment and provided the Group with a larger presence in the growing offshore wind market.

The Group is organised on a geographic and regional basis:

Geographic and regional structure

- US region delivered 18% of Group Adjusted EBITDA in 2021 (2020: 22%) and operates four main sub-segment product and services lines: Accommodation, Camps & Technical Buildings; Fluid Management & Recycling; Production Services and Pressure Control

- Canada region delivered 39% of Group Adjusted EBITDA in 2021 (2020: 43%) and operates in six main sub-segment product and services lines: Accommodation, Camps & Technical Buildings; Fluid Management & Recycling; Production Services; Lifting Services; Project & Facilities Management and Environmental & Access

- UK & Caspian region delivered 21% of Group Adjusted EBITDA in 2021 (2020: 26%) and operates in four main sub-segment product and service lines: Accommodation, Camps & Technical Buildings; Fluid Management & Recycling; Production Services and Subsea Services

- Middle East region delivered 6% of Group Adjusted EBITDA in 2021 (2020: Nil) and operates in three main sub-segment product and service lines: Accommodation, Camps & Technical Buildings; Production Services and Project & Facilities Management

- Asia Pacific region delivered 16% of Group Adjusted EBITDA in 2021 (2020: 9%) and operates in three main sub-segment product and service lines: Accommodation, Camps & Technical Buildings; Production Services and Fluid Management & Recycling

Financing and Liquidity
On 16 December 2021, the Group extended the term of its existing multi-currency credit facility from 31 December 2022 to 31 December 2024 and upsized the facility from $230m to $300m. In addition, the Group added Royal Bank of Canada and the Toronto-Dominion Bank to the existing consortium of banks comprising: Amegy Bank National Association, ATB Financial, Clydesdale Bank, HSBC plc, Iberia Bank Corporation, Royal Bank of Scotland plc and Wells Fargo Bank NA. The extended facilities are required to be repaid over a longer term and provide the Group with $69.3m of undrawn facilities as at the date of this report for acquisitions, capital expenditure and working capital subject to customary bank covenants and credit agreement conditions.

Strategic Report (continued)

Business review (continued)
Financial Performance (continued)
Financing and Liquidity (continued)
Net debt (comprising gross debt excluding exchangeable shares and unamortised issue costs less cash) at 31 December 2021 was \$145.0m (2020: \$134.3m), \$10.7m higher than the prior year after funding \$26.4m in capital expenditure and \$55.6m of acquisitions. Group net debt to adjusted EBITDA leverage ratio before exceptional and adjusting items was 2.2x at 31 December 2021 compared to 2.9x at 31 December 2020.

Future developments
The Group has made a strong start to 2022 with Q1'22 Revenue and Adjusted EBITDA ahead of Q1'21 by 71% and 75%, respectively, as a result of the continued improvement in the Group's end markets. The Group anticipate that these higher levels of activity will continue through the remainder of 2022. The Group continues to implement its strategy and in Q1'22 made three further acquisitions as follows:

- In January 2022, the Group acquired Canlift Crane based in Canada, a crane services business servicing energy, infrastructure, construction and government end-markets. This acquisition enhanced the Group's existing Canadian operations in crane services and expanded the presence in infrastructure, construction and government end-markets.
- In March 2022, the Group acquired RMEC Group based in UK, a rental and services business servicing the international energy market. This acquisition increases the scale of the UK operations and increases our technical capability in energy decommissioning operations.
- In April 2022, the Group acquired Trido Energy Services and Trido Carbon Fund II based in Canada, a manufacturer of solar production equipment and a carbon credit management service. This acquisition brings the technical capability for the Group to generate and manage carbon offset credits from its equipment for customers.

On a proforma basis, including all of the pre-acquisition trading for 2021 and 2022 acquisitions, at the date of this report, the Group's Adjusted Proforma Revenue for 2021 would have been in the region of \$450m with corresponding Adjusted Proforma EBITDA(*) of \$83m, 18% and 22% increase on 2020's Adjusted Proforma Revenue and Adjusted Proforma EBITDA(*).

As a result of the Group's free cash flow generation, at the date of this report the Group has cash and cash resources of \$24.9m, and the ability to draw down a further \$69.3m of debt funding under the existing Revolving Credit Facility ("RCF") to fund continuing investment in capital equipment, acquisitions and working capital. The Group continues to pursue acquisition targets and to explore opportunities in new geographies and new products and services on a selective basis.

The directors believe that the Group is well positioned to enhance its position as a global leader in the supply of critical rental and services to a number of end-markets including the energy, minerals, infrastructure, power, environmental and renewable energy industries and through the continued implementation of its strategy will continue to deliver long-term value creation for all of its stakeholders.

*Adjusted Proforma EBITDA is defined as Adjusted EBITDA plus the pre-acquition Adjusted EBITDA of any acquisitions completed in 2021 and 2022, to the date of this report

Strategic Report (continued)

Key performance indicators (KPIs)
The directors consider the following as key performance indicators (KPIs).

	2021	2020
Revenue (*) ($000)	**391,157**	294,625
Gross margin (*) (%)	**25%**	24%
Adjusted EBITDA ($000)	**64,675**	47,072
Adjusted EBIT ($000)	**20,085**	81
Adjusted PAT ($000)	**3,803**	(10,605)
Unlevered Free cash flow ($000)	**57,255**	37,173
Net debt ($000)	**145,038**	134,299
Net debt leverage	**2.2x**	2.9x

*Pre-exceptional and adjusting items

- Adjusted EBITDA is defined as Earnings before IFRS 16, Interest, Other gains and losses, Tax, Depreciation, Amortisation and Exceptional and Adjusting Items (note 6).
- Adjusted EBIT is defined as Adjusted EBITDA after Depreciation of Property, plant and equipment and Amortisation of Intangible assets.
- Unlevered Free Cash Flow is defined as Net Cash from Operating Activities before IFRS 16, minus capital expenditure plus disposal proceeds.
- Adjusted PAT is defined as Profit after Tax before Exceptional and Adjusting Items.
- Net Debt is defined as Gross Debt (excluding Exchangeable Shares and Unamortised Issue Costs) less Cash.
- Net Debt Leverage is defined as Net Debt divided by Adjusted EBITDA

These KPIs are monitored and tracked to budget and reviewed monthly. These measures are influenced by external factors such as global economic activity and commodity prices (energy and minerals).

Principal risks and uncertainties
Principal risks and uncertainties faced by the Group include geographical, political, fiscal, operational, commodity price volatility and financial risks. The Group's compliance framework, policies and management processes seek to mitigate adverse effects of these on the performance of the Group.

COVID-19 Virus
The COVID-19 pandemic that started in 2020 presented a challenge to all businesses including the Group. In addition to the health risks posed to our employees and the employees of our customers and suppliers, the consequences of COVID-19 have included, but are not limited to: demand for the Group's products and services, supply and manufacturing disruptions, workforce restrictions and global travel restrictions.

The Group is a global business with locations in a number of jurisdictions. The health and safety of our employees is our priority and we continue to follow government and regional guidelines closely in the locations in which we operate. The Group and its customer base have worked collaboratively to be able to continue to provide its essential services, in a safe manner, whilst ensuring it protects the health and well-being of its own and its customer's employees, suppliers and assets. Whilst the impact of COVID-19 pandemic is lessening across the globe, the Group continues to monitor the situation and has contingency plans in place in the event that the situation was to worsen. These plans coupled with the Group's financial strength including cash and cash reserves of $24.9m, and the ability to draw down a further $69.3m of debt funding under the existing Revolving Credit Facility, as of the date of this report, provide a solid foundation for the future success of the Group.

Geographical, political and fiscal risks
As a global business operating in a number of international locations, the Group has regard to the countries in which it does business. In conducting its business in a country, the Group considers the country in which business is proposed; the customers, agents and/or other prospective business partners who would be involved; and assesses this information against the legal, compliance and ethical framework within which it seeks to conduct business. The Group also considers each of these countries' fiscal regimes, enabling assessment of the anticipated effects of taxes on the overall tax burden borne by the Group.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Operational risks

The nature of the Group's activities gives rise to a variety of operational risks:

- Health, safety and welfare risks arise from the nature of the services provided and the locations in which these are undertaken. The welfare of personnel is paramount and careful research is undertaken before individuals are deployed to locations, including assessing the level of support that customers will provide. The Group has an uncompromising commitment to health, safety and welfare.

- Operational contracting risks arise from the nature of agreements with some customers, including lump sum or fixed price agreements. In addition, where customers request work at short notice, the timing and quantum of work over the life of such contracts is difficult to predict and can provide operational challenges. In some geographies, the Group operates in harsh environments and contract outcomes can be adversely affected by extreme weather conditions.

- Acquisition risks arise from the strategy involving the undertaking of business combinations. The Group's policy is to conduct an appropriate level of due diligence on any business purchase to assist in mitigating the risks that such purchases may bring.

Commodity price volatility

Energy price volatility impacts the willingness of companies to invest, which in turn impacts the level of activity by our customers and potential customers. Energy prices are primarily determined by supply, demand, government regulations relating to oil and natural gas production and processing, and international political events, none of which can be accurately predicted. The Group's geographic and segmental diversification provides a level of risk mitigation to commodity price volatility.

All of the above-mentioned risk factors should be considered in connection with any forward-looking statements in these financial statements.

The Group's financial risks are discussed in the Directors' Report on page 12.

Going concern

At the date of this report the Group has cash and cash reserves of $24.9m, and the ability to draw down a further $69.3m of debt funding under the existing RCF subject to customary bank covenants and credit agreement conditions. On 16 December 2021, the Group extended the term of its existing multi-currency credit facility from 31 December 2022 to 31 December 2024 and upsized the facility from $230m to $300m. In addition, the Group added Royal Bank of Canada and the Toronto-Dominion Bank to the existing consortium of banks.

Having assessed the financial position, the trading prospects and liquidity position for the Group, including possible downside scenarios as a result of COVID -19, and a potential global economic slowdown, through the going concern period, the directors have developed a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the directors continue to adopt the going concern basis in their preparation of the annual financial statements.

Events after the balance sheet date

As noted above in ***Future Developments,*** in line with the Group's ongoing strategy, the Group has acquired three companies in 2022 to the date of this report.

On 27 February 2022, a conflict broke out between Russia and Ukraine. Following this, numerous governments around the world have implemented sanctions against Russia and Belarus. Given the location of the Group's operations, historically there has been limited direct or indirect trading with Russia or Ukraine. As a result, the Group does not consider there to be any impact from this conflict on its operations or finances.

Strategic Report (continued)

Directors' statement in performance of their duties under Section 172(1)
The directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, to be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year.

This includes considering the interests of our customers, suppliers, employees, banking consortium and other stakeholders, maintaining high standards of business ethics and conduct and considering the Group's impact on local communities and the environment.

Employees
The Group's employees are a key asset of the business.

All our employees are encouraged to take an active role in health, safety and environmental issues and in maintaining and continually developing excellence in service delivery. In addition to actively promoting safety and operational best practice, regular safety notices are distributed to all employees. In addition, group meetings are held, and specific notices circulated to all relevant personnel in order to achieve a common awareness of all employees in relation to strategy of the Group and the relevant financial and economic factors that affect the performance of the Group.

The Group continues to invest in its people and held its first ever global Management Development Programme in Houston with attendees from every region. This programme was designed to develop the next generation of Centurion business leaders.

Business relationships
The Group works closely to manage the important relationships it has with its customers, regularly engaging with them, and delivering high quality services to high standards of safety and reliability to consistently meet their requirements. The Group also works closely with its suppliers to ensure that they embrace standards of ethical behaviour that are consistent with our own. The Group works with suppliers and their supply chains to provide fully compliant, cost-effective goods, services and solutions.

Recognising the importance of our relationships with our banking consortium, the Group holds regular quarterly update meetings to discuss business performance, key operational milestones and strategic initiatives.

Strategic Report (continued)

Impact on community and environment
The Group is committed to operating its business in an environmentally responsible way, and environmental sustainability constitutes a key part of the Group's vision. This is centred on the following:

- *making Centurion more environmentally sustainable*: through reducing, reusing and recycling waste, water and power usage in our operations.
- *helping our customers to become more environmentally sustainable:* helping our customers on their decarbonisation journey to zero emissions by providing more environmental solutions including reducing, reusing and recycling waste, water and power usage in their operations.
- *strengthening community relationships:* our goal is to build trust and respect whilst providing sustainability and economic opportunities in the communities in which we operate.

As part of our commitment to building an environmentally sustainable future for our business, our customers and the industries we serve, the Group published its first ever annual ***Sustainability Report*** during 2021.

Following new Streamline Energy and Carbon Reporting (SECR) Regulations the Group presents its consumption and carbon emission data looking at relevant business activities, mainly the fleet and equipment involved in operations. The interpretation, tracking and reporting of carbon emission data is a complex and evolving area. The Group continues to develop its reporting framework and, subsequent to 31 December, the Group implemented a new data capture system.

This is the first year of reporting emissions therefore no comparatives are provided.

GHG emissions and energy usage data for the period 1 January 2021 to 31 December 2021	
	Emissions (*) (tCO_{2e})
	2021
Scope 1 – Direct activities	
Emissions from the combustion of gas	887.7
Emissions from the combustion of fuel for transport purposes	1,749.8
Scope 2 – Indirect activities	
Emissions from electricity purchased for own use, including for the purposes of transport	2,011.6
Scope 3 – All other indirect actitivties	
Emissions from business travel including air travel, rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel	660.2
Emissions from waste sent to Landfill	860,612.0
Emissions From Recycled Waste	74,776.6
Emissions from Water Usage	9.9
Total gross CO_2e based on above	**940,707.8**
Energy consumption used to calculate emissions - kwh	**13,455,992**
tonnes of CO_2e per $'000 revenue	2.36

*this information is unaudited

The Group's approach follows the UK Government's Environmental Reporting Guidelines for streamlined energy and carbon reporting guidance and in calculating our global emissions, we have used the 2020 UK Government conversion factors for greenhouse gas (GHG) reporting.

Strategic Report (continued)

Directors' statement in performance of their duties under Section 172(1) (continued)

Reputations for high standards of business conduct

Responsible business conduct is fundamental to the long term-success of the Group. Centurion is committed to the highest standards of business ethics and corporate social responsibility toward the Group's clients, staff, suppliers and the communities in which it operates. The Group's Business Ethics and Conduct Policy and Anti Bribery and Corruption Policy sets out the standards and behaviours expected of all employees, contractors, and consultants, and details the guidance and support that the Group provides to help meet the high standards of business conduct, legally and ethically, that we expect.

Approved by the Board and signed on its behalf by:

E Leask
Director
16 May 2022

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

Information on the principal activities, review of business, future developments, going concern, principal risks and uncertainties and events after the balance sheet date is included in the Strategic Report on pages 3 to 11.

Directors
The directors who served during the year and to the date of the approval of the financial statements are:

Mr E Leask
Mr M Raper

Directors' indemnities
The Company has made qualifying third-party indemnity provisions for the benefit of its directors during the year and remain in force at the date of this report. The indemnity provisions also cover the directors in their roles as directors of subsidiary entities.

Charitable and political donations
During the year the Group made charitable donations of $118k (2020: $16k). There were no political donations during the current or prior year.

Research and development expenditure
During the year, the Group incurred $162k (2020: $96k) in research and development expenditure in respect of subsea engineering activities.

Dividends
No dividends were declared during the year (2020: nil).

Financial risk management policies and objectives
The Group's activities expose it to a number of financial risks including currency risk, credit risk, liquidity risk and interest rate risk. The Group does not use derivative financial instruments for speculative purposes.

Currency risk
The Group's activities primarily expose it to the movement of the Canadian Dollar ("CAD"), Australian Dollar ("AUD"), Singapore Dollar ("SGD"), UK Sterling ("GBP") and United Arab Emirates Dirham ("AED"). The Group seeks to naturally hedge such exposures and it only considers forward or fixed exchange rate contracts where it is deemed appropriate.

Credit risk
The Group's principal financial assets are trade and other receivables and cash and bank balances. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. The credit risk on trade and other receivables is managed through maintaining good customer relationships and the monitoring of credit levels and settlement periods. The credit risk on liquid funds is considered limited with the counterparties being banks with recognised credit ratings assigned by international credit rating agencies.

Liquidity risk
In order to maintain liquidity and to ensure sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term finance.

Interest rate risk
The Group borrows in desired currencies at floating rates of interest, with consideration being given to fixed rate arrangements as considered appropriate. At 31 December 2021, no interest rate swap instruments were in place.

Directors' Report (continued)

Financial risk management policies and objectives (continued)

Energy and carbon reporting

Information on the Group's energy and carbon reporting is included in the Strategic Report on pages 3 to 11.

Disabled employees

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

Employee consultation

The Group places considerable value on the involvement of its employees and has sought to keep them informed of matters affecting them as employees and on the various factors affecting the performance of the Group. This is currently achieved through formal and informal means, including staff meetings, notice boards, bulletins and the use of email.

Auditor

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

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte have expressed their willingness to be reappointed and appropriate arrangements are being made in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

E Leask
Director
16 May 2022

Directors' Responsibilities Statement

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 are required to prepare the Group Financial Statements in accordance with International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006 and have chosen to prepare the financial statements of Centurion 3 Limited ('the Company') in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 year.

In preparing the parent company financial statements, the directors are required to:

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

In preparing the group and company financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

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

Independent Auditor's Report

to the members of Centurion 3 Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Centurion 3 Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the notes to the consolidated financial statements 1 to 32.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 Auditor's Report (continued)

to the members of Centurion 3 Limited

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.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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, 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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

Independent Auditor's Report (continued)

to the members of Centurion 3 Limited

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)
We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and the relevant tax compliance regulations in the jurisdictions that the Group operates; and
- *do not have a direct effect on the financial statements but compliance with which may be fundamental* to the group's ability to operate or to avoid a material penalty. These included regulations in the countries in which the group operates and anti-bribery and corruption legislation.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax and valuations regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in respect of the following:-

<u>Goodwill impairment assessment</u>
Judgements associated with determing the discount rate and projected cash flows in certain of the group's cash generating units. To address the fraud risks we:

- engage an internal specialist to evaluate and benchmark the discount rate;
- performed tests over the assumptions supporting the projected trading and capital expenditure cash flows;
- assessed the consistency of judgements made in developing the value-in-use; and
- performed a restrospective review of judgements made in the prior year.

<u>Revenue recognition</u>
Judgments associated with determining the percentage complete of lumpsum contracts ongoing at year-end. To address the fraud risks we:

- enquired from management about ongoing lumpsum contracts at year-end;
- assessed the progress of lumpsum projects at year-end, specifically considering estimate completion costs;
- inspected customer contracts; and
- assessed the revenue recognition accounting policy.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate *risks of material misstatement due to fraud;*
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Independent Auditor's Report (continued)

to the members of Centurion 3 Limited

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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

Deloitte LLP

David Mitchell CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
16 May 2022

Consolidated Income Statement
For the year ended 31 December 2021

		2021			2020		
	Notes	Before exceptional and adjusting items $000	Exceptional and adjusting items (Note 6) $000	Total $000	Before exceptional and adjusting items $000	Exceptional and adjusting items (Note 6) $000	Total $000
Revenue	4	**391,157**	**7,200**	**398,357**	294,625	365	294,990
Cost of sales		**(292,104)**	**(219)**	**(292,323)**	(224,971)	(1,157)	(226,128)
Gross profit/(loss)		**99,053**	**6,981**	**106,034**	69,654	(792)	68,862
Administrative expenses		**(77,448)**	**(3,681)**	**(81,129)**	(68,011)	(24,123)	(92,134)
Profit/(loss) from operating activities		**21,605**	**3,300**	**24,905**	1,643	(24,915)	(23,272)
Finance income	7	**2**	**-**	**2**	160	-	160
Finance expense	7	**(11,960)**	**-**	**(11,960)**	(11,752)	-	(11,752)
Other gains and losses	8	**(617)**	**-**	**(617)**	(137)	-	(137)
Share of profit from joint ventures	9	**662**	**-**	**662**	-	-	-
Profit/(loss) before tax		**9,692**	**3,300**	**12,992**	(10,086)	(24,915)	(35,001)
Income tax	11	**(5,889)**	**(925)**	**(6,814)**	(519)	707	188
Profit/(loss) for the year	5	**3,803**	**2,375**	**6,178**	(10,605)	(24,208)	(34,813)

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2021

	Notes	2021 $000	2020 $000
Profit/ (loss) for the year		**6,178**	(34,813)
Other comprehensive (losses)/ gains			
Items that may be reclassified subsequently to the income statement in subsequent periods:			
Foreign currency (loss)/ gain on translation of foreign operations	**20**	**(107)**	4,823
Total comprehensive income/ (loss) for the year		**6,071**	(29,990)

Consolidated Statement of Financial Position

As at 31 December 2021

	Notes	2021 $000	2020 $000
NON-CURRENT ASSETS			
Goodwill	**13**	**108,764**	103,770
Other intangible assets	**14**	**28,088**	17,122
Deferred tax assets	**11**	**3,770**	5,595
Property, plant and equipment	**16**	**170,127**	167,135
Right-of-use asset	**17**	**37,077**	39,223
Interest in joint ventures	**9**	**8,754**	-
Total non-current assets		**356,580**	332,845
CURRENT ASSETS			
Inventories	**18**	**19,770**	14,358
Trade and other receivables	**19**	**133,832**	91,974
Amounts due from parent company	**28**	**1,175**	1,015
Current tax assets		**615**	233
Cash and bank balances		**17,675**	6,995
Total current assets		**173,067**	114,575
TOTAL ASSETS		**529,647**	447,420
EQUITY			
Share capital	**20**	**265,479**	263,112
Other equity reserves	**20**	**(17,884)**	(19,122)
Merger reserve	**20**	**94,775**	94,775
Accumulated losses	**20**	**(149,277)**	(155,455)
TOTAL EQUITY		**193,093**	183,310
NON-CURRENT LIABILITIES			
Borrowings	**21**	**79,293**	88,426
Lease liabilities	**17**	**33,238**	36,770
Provisions	**23**	**4,405**	858
Deferred tax liabilities	**11**	**9,579**	8,822
Total non-current liabilities		**126,515**	134,876
CURRENT LIABILITIES			
Trade and other payables	**24**	**91,070**	46,822
Current tax liabilities		**3,599**	714
Borrowings	**21**	**105,634**	73,712
Lease liabilities	**17**	**9,736**	7,986
Total current liabilities		**210,039**	129,234
TOTAL LIABILITIES		**336,554**	264,110
TOTAL EQUITY AND LIABILITIES		**529,647**	447,420

The financial statements of Centurion 3 Limited, registered number SC583752, were approved on 16 May 2022 by the Board of Directors and signed on its behalf by:

E Leask
Director

Company Statement of Financial Position

As at 31 December 2021

	Notes	2021 $000	2020 $000
NON-CURRENT ASSETS			
Investment in subsidiaries	**15**	**265,479**	263,112
Total non-current assets		**265,479**	263,112
CURRENT ASSETS			
Trade and other receivables	**19**	**360**	493
Cash and bank balances		**3**	4
Total current assets		**363**	497
TOTAL ASSETS		**265,842**	263,609
EQUITY			
Share capital	**20**	**265,479**	263,112
Accumulated losses		**(2,605)**	(2,546)
TOTAL EQUITY		**262,874**	260,566
CURRENT LIABILITIES			
Trade and other payables	**24**	**392**	54
Amounts due to subsidiaries	**28**	**2,576**	2,989
Total current liabilities		**2,968**	3,043
TOTAL LIABILITIES		**2,968**	3,043
TOTAL EQUITY AND LIABILITIES		**265,842**	263,609

As permitted by Section 408 of the Companies Act 2006, the statement of comprehensive income of the Company is not presented as part of these financial statements. The Company's loss for the year was $59k (2020: $92k).

The financial statements of Centurion 3 Limited, registered number SC583752, were approved on 16 May 2022 by the Board of Directors and signed on its behalf by:

E Leask
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

	Notes	Share capital $000	Other equity reserves $000	Merger reserve $000	Accumulated losses $000	**Total $000**
Balance at 1 January 2020		**263,112**	**(25,587)**	**94,775**	**(120,642)**	**211,658**
Loss for the year			-	-	(34,813)	**(34,813)**
Foreign exchange gain on translation of foreign operations			4,823	-	-	**4,823**
Total comprehensive income/(loss) for the year		-	4,823	-	(34,813)	**(29,990)**
Share based payments		-	1,642	-	-	**1,642**
Balance at 31 December 2020		**263,112**	**(19,122)**	**94,775**	**(155,455)**	**183,310**
Profit for the year		-	-	-	6,178	**6,178**
Foreign exchange loss on translation of foreign operations	**20**	-	(107)	-	-	**(107)**
Total comprehensive income/(loss) for the year		-	(107)	-	6,178	**6,071**
Issuance of share capital	**20**	2,367	-	-	-	**2,367**
Share based payments	**20**	-	1,345	-	-	**1,345**
Balance at 31 December 2021		**265,479**	**(17,884)**	**94,775**	**(149,277)**	**193,093**

Company Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital $000	Accumulated losses $000	**Total $000**
Balance at 1 January 2020	**263,112**	**(2,454)**	**260,658**
Loss for the year	-	(92)	**(92)**
Total comprehensive loss for the year	-	(92)	**(92)**
Issuance of share capital	-	-	**-**
Balance at 31 December 2020	**263,112**	**(2,546)**	**260,566**
Loss for the year	-	(59)	**(59)**
Total comprehensive loss for the year	-	(59)	**(59)**
Issuance of share capital	2,367	-	**2,367**
Balance at 31 December 2021	**265,479**	**(2,605)**	**262,874**

Consolidated Statement of Cash Flows

For the year ended 31 December 2021

	Notes	2021 $000	2020 $000
Cash generated from operations	**30**	**83,286**	60,504
Tax paid		**(3,091)**	(981)
Finance costs paid		**(8,396)**	(9,760)
Net cash generated from operating activities		**71,799**	49,763
Cash flows from investing activities			
Payments to acquire plant, property and equipment	**16**	**(26,379)**	(23,791)
Acquisition of subsidiary investments	**12**	**(55,609)**	-
Receipts from disposal of property, plant and equipment	**30**	**12,204**	11,238
Interest received	**7**	**2**	160
Net cash used in investing activities		**(69,782)**	(12,393)
Cash flows from financing activities			
Proceeds from borrowings		**213,779**	110,346
Repayment of borrowings		**(191,731)**	(156,447)
Payment of debt issue costs		**(4,060)**	(2,999)
Payment of lease liabilities		**(9,902)**	(9,187)
Net cash generated from/ (used in) financing activities		**8,086**	(58,287)
Net increase/ (decrease) in cash and cash equivalents		**10,103**	(20,917)
Opening cash and cash equivalents		**6,995**	27,912
Effect of foreign exchange rate equivalents		**577**	-
Closing cash and cash equivalents		**17,675**	6,995

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

1. General information

The Consolidated Financial Statements of Centurion 3 Limited and its subsidiary undertakings (collectively referred to as "the Group") were approved by the Board and authorised for issue on 16 May 2022.

Centurion 3 Limited ("the Company") is a private company limited by shares incorporated in in the United Kingdom under the Companies Act 2006 and registered in Scotland and is a wholly owned subsidiary of Centurion Group Limited ("the Parent"), a company registered in the Cayman Islands. The address of the Company's registered office is disclosed on page 2.

The principal activities of the Company are described in the Strategic Report on page 3.

Further information about the Group structure is provided in Note 27 and related party transactions are outlined in Note 28.

2. Significant accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Consolidated Financial Statements have been prepared on a historical cost basis.

The principal accounting policies are set out below. Other than as discussed at Note 2.3 below the principal accounting policies have been applied consistently for all years presented in these Consolidated Financial Statements.

The financial statements are presented in United States Dollars ($), which is the Group's presentational currency. The Company's functional currency is United States Dollars ($), while the subsidiaries' functional currencies vary dependent on the currency in which they generate and spend their cash flows and largely reflect the respective geographic locations of the subsidiaries. Note 2.9 sets out the accounting policy for translation from functional to presentation currency.

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the FRC. Accordingly, these financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The Company's principal activity is to act as an investment holding company that provides management services to its subsidiaries.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, certain disclosures in respect of revenue from contracts with customers and certain related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements.

The financial statements have been prepared on the historical cost basis except for the re-measurement of certain financial instruments that are measured at fair values at the end of each reporting period. The principal accounting policies adopted are the same as those set out in note 3 to the consolidated financial statements except as noted below.

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

In the current year, the Company has applied a number of amendments to IFRS Standards issued by the International Accounting Standards Board (the Board) that are mandatorily effective for an accounting period that begins on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Subsidiary audit exemption

Centurion 3 Limited has issued parental company guarantees under s479C of the Companies Act 2006. As a result, for the year ended 31 December 2021, the following subsidiaries of the Group were entitled to exemption from audit under s479A of the Companies Act 2006:

- Centurion 1 Limited (SC540138)
- Centurion 2 Limited (SC540315)
- Centurion UK Rentals & Services Limited (SC657607)
- Centurion Group Holdings Limited (SC435504)
- ATR Overseas Limited (SC317260)
- STH Holdings Limited (SC506774)
- 123456 Aberdeen Limited (SC153427)
- ATR Holdings Limited (SC305588)
- Osprey3 Limited (SC205751)
- Abenco Limited (SC253370)
- Labtech Services Limited (SC083070)
- Aleron Technology Limited (SC558379)
- Aleron Limited (SC370057)
- Rovquip Limited (SC436045)

2.2 Going concern

At the date of this report the Group has cash and cash reserves of $24.9m, and the ability to draw down a further $69.3m of debt funding under the existing RCF subject to customary bank covenants and credit agreement conditions. On 16 December 2021, the Group extended the term of its existing multi-currency credit facility from 31 December 2022 to 31 December 2024 and upsized the facility from $230m to $300m. In addition, the Group added Royal Bank of Canada and the Toronto-Dominion Bank to the existing consortium of banks.

Having assessed the financial position, the trading prospects and liquidity position for the Group, including possible downside scenarios as a result of COVID -19, and a potential global economic slowdown, through the going concern period, the directors have developed a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the directors continue to adopt the going concern basis in their preparation of the annual financial statements.

2.3 Adoption of new and revised standards

2.3.1 New and revised IFRS standards adopted in the period

In the current year, the Group adopted the Phase 2 amendments: Interest Rate Benchmark Reform — Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Group has not restated the prior period. Instead, the amendments have been applied retrospectively with any adjustments recognised in the appropriate components of equity as at 1 January 2021.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.3 Adoption of new and revised standards (continued)

2.3.1 New and revised IFRS standards adopted in the period (continued)

As a result of the Phase 2 amendments, when the contractual terms of the Group's bank borrowings are amended as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change, the Group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate. If additional changes are made, which are not directly related to the reform, the applicable requirements of IFRS 9 are applied to the other changes. See note 21 for further details regarding changes made to the LIBOR-linked bank borrowings.

Impact of the initial application of COVID-19 Related Rent Concessions beyond 30 June 2021: Amendment to IFRS 16

In the prior year, the Group early adopted Covid-19 related rent concessions (Amendment to IFRS 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. The early adoption of this amendment did not impact the group.

In March 2021, the Board issued Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reductions in lease payments originally due on or before 30 June 2022. The adoption of this amendment did not have an impact on the current year results and financial position of the Group.

2.3.2 New and revised IFRS standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

FRS 17 (including the June 2020 Amendments to IFRS 17)	*Insurance Contracts*
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment — Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to IFRS Standards 2018-2020 Cycle	*Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments,IFRS 16 Leases, and IAS 41 Agriculture*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

2.4 Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings for the financial year ended 31 December 2021. Acquisition accounting has been adopted unless otherwise indicated.

The Company reassesses at least annually whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed below.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.4 Basis of consolidation (continued)

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transitions between the members of the Group are eliminated on consolidation.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration payable or receivable is recognised directly in equity and attributed to the owners of the Company.

2.5 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method, unless under common control. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the income statement as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRS. Changes in the fair value of contingent consideration classified as equity are not recognised.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.5 Business combinations (continued)

exceeds the sum of the consideration transferred, the amount of any non controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

If the initial accounting for a business combination is incomplete at the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

Where it is probable that deferred consideration is payable on the acquisition of a business based on an earn out arrangement, an estimate of the amount payable is made at the date of acquisition and reviewed regularly thereafter, with any change in the estimated liability being reflected in the income statement. Changes in the estimated liability in respect of acquisitions completed before 31 December 2021 are reflected in the income statement.

2.6 Goodwill

Goodwill arising on a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed. Goodwill is not amortised but is reviewed for impairment at least annually. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.7 Revenue recognition

The Group recognises revenue from the following major sources:

- Hire of equipment and personnel;
- Labour and inspection;
- Sale of equipment; and
- Project Management.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer and if the following conditions are met:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.7.1 Revenue from hire of equipment and personnel

Revenue in respect of tool rental and associated personnel is recognised over the period which the rentals occur at the rates contracted with customers.

2.7.2 Revenue from labour and inspection

Revenue in respect of labour and inspection contracts is recognised over the period which the service is performed at the rates contracted with customers.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.7 Revenue recognition (continued)

2.7.3 Revenue from sale of equipment

Revenue from the sale of equipment is recognised when control of the goods has transferred, being when the equipment has been shipped to the customer and the customer has acknowledged receipt of the equipment.

2.7.4 Revenue from project management contracts

Revenue from project management contracts is recognised when the services are performed. Revenue from fixed price project management contracts is determined on the percentage of completion basis against individual performance obligations. Percentage complete is estimated based on the costs incurred to date and the forecast cost to completion of that performance obligation. Fixed price contract revenues are adjusted to reflect change orders that are highly probable. Where projects are forecast to incur a loss on completion, the full estimated loss is recognised immediately in the income statement when identified.

The Group becomes entitled to invoice customers for project management contracts based on achieving a series of performance-related milestones. When a milestone is achieved, a customer is sent an invoice. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in project management contracts with customers as the period between the recognition of revenue under the cost-to-cost method and the milestone payment is always less than one year.

2.8 Borrowing costs

Borrowing costs are recognised in the income statement in the period in which they are incurred, unless they are directly attributable to qualifying assets in which case they are capitalised.

2.9 Foreign currencies

2.9.1 Functional and presentation currency

For the purpose of the Consolidated financial statements, the results and the Group's financial position are expressed in US Dollars ("$"). The individual financial statements of each of the subsidiaries are prepared using the currency of the primary economic environment in which the entity operates (its functional currency). The functional currencies are United States Dollar, Canadian Dollar ("CAD"), Australian Dollar ("AUD"), Singapore Dollar ("SGD"), UK Sterling ("GBP"), and United Arab Emirates Dirham ("AED") for the subsidiaries located in the United States of America, Canada, Australia, Singapore, the United Kingdom, and the UAE respectively.

2.9.2 Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.9.3 Group companies

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.10 Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's shares of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represent profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of joint ventures' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.11 Retirement benefit costs

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered services entitling them to contributions.

2.12 Taxation

2.12.1 Current tax

Current tax payable or receivable is based on taxable result for the year. Taxable profit or loss differs from the result as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.12 Taxation (continued)

2.12.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.12.3 Current and deferred tax

Current and deferred tax are recognised as an expense or income in the income statement, except when they relate to items that are recognised outside the income statement (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside the income statement, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

2.13 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed annually, with the effect of any changes in estimate being accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation:

Leasehold land and buildings	lower of 25 years or lease period
Hire fleet	1 to 15 years
Equipment	3 to 8 years

Assets under construction are capitalised as costs are incurred. Once complete the assets are transferred to the appropriate asset category and depreciated when ready for use.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.13 Property, plant and equipment (continued)

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

2.14 Right of use asset

The right of use assets comprise the initial measurement of the corresponding lease liability (see note 2.16), lease payments made at or before the commencement day, any initial direct costs and any costs associated with returning the asset to a standard specified in the lease. They are subsequently measured at cost less accumulated depreciation and impairment.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right of use asset, unless those costs are incurred to produce inventories.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right of use asset reflects that the Group expects to exercise a purchase option, the related right of use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 Impairment of Assets to determine whether a right of use asset is impaired and accounts for any identified impairment loss as described in Note 2.17.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right of use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

2.15 Intangible assets

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and impairment. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The following useful lives are used in the calculation of amortisation:

Customer relationships	5 to 10 years
Trade names	5 years
Other intangible assets	1 to 5 years

2.16 Leases

2.16.1 The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right of use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as a lease with total payments less than $5,000). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.16 Leases (continued)

2.16.1 The Group as lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The incremental borrowing rate is determined by reference to the risk free interest rate as adjusted by the Group's external borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease;
- payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the year presented.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.16 Leases (continued)

2.16.2 The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

2.17 Impairment

2.17.1 Tangible and intangible assets (other than goodwill)

During each reporting period the carrying amounts of tangible and intangible assets (other than goodwill) are reviewed 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 recoverable amount of the cash-generating unit to which the asset belongs is estimated. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

2.17.2 Goodwill

Goodwill is tested for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units expected to benefit. Cash-generating units to which goodwill is allocated are tested for impairment at least annually. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

2.17.3 Recoverable amount

Recoverable amount is the higher of fair value less costs to dispose 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 assessment 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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.17 Impairment (continued)

2.17.4 Subsequent reversal of impairment

Where an impairment loss for tangible or intangible assets 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. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2.18 Inventory

Inventories are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated for each category of inventories using the weighted average method (consumables, raw materials and finished goods) or the First in First Out (FIFO) method (gravel). Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.19 Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the present value of the expenditures required to settle the obligation using a pre-tax rate that reflects the current assessment of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

2.20 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.20.1 Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.20 Financial instruments (continued)

2.20.1 Financial assets (continued)

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). The nature of the Group's financial assets is such that they largely meet the above conditions and therefore are subsequently measured at amortised cost.

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the "finance income" line item (note 7).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.20 Financial instruments (continued)

2.20.1 Financial assets (continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL"). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.20 Financial instruments (continued)

2.20.1 Financial assets (continued)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than one year past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.21 Financial liabilities and equity

2.21.1 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.21.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.21.3 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

2.21.4 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item (note 8) in profit or loss.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.21 Financial liabilities and equity (continued)

2.21.4 Financial liabilities at FVTPL (continued)

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

2.21.5 Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

2.21.6 Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

2.21.7 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss (note 8) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

2.21.8 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.21 Financial liabilities and equity (continued)

2.21.8 Derecognition of financial liabilities (continued)

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (i) the carrying amount of the liability before the modification; and (ii) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

2.22 Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short-term bank deposits with maturities of three months or less and bank overdrafts where there is a right of set-off.

2.23 Share based payments

The Company's parent company has granted rights to its equity instruments to certain employees of the Group. Such arrangements are accounted for as equity-settled share-based payment arrangements. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

2.24 Exceptional and adjusting items

Items that are considered material either because of their size or their nature, are shown as exceptional and adjusting items, to assist the understanding of the Group's underlying performance within their relevant consolidated income statement category and are explained in the notes to the financial statements.

2.25 Government grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

3. Key sources of estimation uncertainty and critical judgments

In the application of the accounting policies, outlined in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

3.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that have been made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in financial statements.

3.1.1 Lumpsum contracts revenue recognition

The Group has a number of fixed price projects that are accounted for in accordance with IFRS 15. These projects require identification of performance obligations and associated stage of completion. Identification of performance obligations is judgemental and requires identification of distinct deliverables under the customer contract. The deliverable is defined as distinct if the customer can benefit from use of it on its own or with other resources that are readily available to them and it is separately identifiable from other deliverables in the contract.

Estimating the stage of completion and final outcome for the performance obligations requires estimation of contract revenues and contract costs that depend on the outcome of future events. Uncertainties include the estimation of forecast costs to complete the contract, timing and recoverability of unagreed income from variations to the contract scope and claims. Estimates are updated regularly and significant changes are highlighted through established internal review procedures. The contract reviews focus on the timing and recognition of revenue income from scope variations and claims and projected costs to complete.

3.1.2 Classification of exceptional and adjusting items

Exceptional items are items which individually, or of a similar type in aggregate, by virtue of their size are considered to require separate disclosure to assist a reader's understanding of the financial statements. Adjusting items are items that are identified to be out with the ordinary trading activities of the Group and require separate disclosure from the Group's ordinary trading performance (Note 6). The identification of items as exceptional and adjusting involves management judgement.

3.2 Key sources of estimation uncertainty

The following are key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2.1 Impairment of goodwill and other intangible assets

Assessment of the recoverability of the carrying value of goodwill and other intangible assets attributable to each CGU requires of an estimation of the value in use. The value in use calculation requires Management to estimate the future cash flows expected to arise from each CGU and apply a suitable discount rate in order to calculate present value.

A sensitivity analysis has been performed to determine the percentage reduction in the projected cashflows required for a CGU's recoverable amount to be equal to its carrying value, with all other assumptions used remaining constant. The Twilight CGU within the US region has been identified as requiring a reduction of less than 20% in 2022 projected cashflows for the recoverable amount of its goodwill to be equal to its carrying value. The sensitivity analysis is presented in note 13.

No impairment is identified in 2021 (2020: $17,760k) and the carrying amount of goodwill at 31 December 2021 is $108,764k.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

4. Revenue

Analysis by category

	Group	
	2021	2020
	$000	$000
Hire of equipment and personnel	**195,992**	149,824
Labour and inspection	**25,548**	14,365
Sale of equipment	**42,591**	29,883
Project management	**128,876**	95,403
Other	**5,350**	5,515
	398,357	294,990

Analysis by geographical location

	Group	
	2021	2020
	$000	$000
United States of America	**140,651**	108,871
Canada	**148,987**	111,065
UK, Europe and Caspian	**47,694**	43,398
Asia Pacific	**38,538**	23,379
Middle East	**11,451**	-
Rest of World	**11,036**	8,277
	398,357	294,990

Timing of revenue recognition

	Group	
	2021	2020
	$000	$000
At a point in time	**257,886**	191,483
Transferred over time	**140,471**	103,507
	398,357	294,990

Included within the project management segment in the Canadian geographical location as revenue transferred over time is $7,200k (2020: $365k) identified as exceptional and adjusting. The revenue relates to loss making large lump sum underground pipeline contracts and is identified as exceptional due to size and nature. Refer to note 6 for further details.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

5. Profit/(loss) for the year

Profit/(loss) for the year is stated after charging/(crediting):

		Group	
		2021	2020
	Notes	**$000**	$000
Employee benefits expense	10	**119,023**	88,462
Amortisation of other intangible assets	14	**7,293**	6,479
Depreciation of property, plant and equipment	16	**37,296**	40,512
Depreciation of right-of-use assets	17	**10,348**	9,295
Short-term and low value leases		**1,255**	207
Government grant for the purpose of immediate financial support		**(5,638)**	(7,477)
Inventory recognised as an expense		**9,946**	8,252
Loss allowance on trade and other receivables	19	**505**	602
Gain on disposal of property, plant and equipment	30	**(5,592)**	(3,700)
Gain on derecognition of lease liabilities and right-of-use assets	30	**(11)**	(79)
Research and development expense		**162**	96

In 2021, government grants of $5,638k (2020: $7,477k) were received as part of a various government initiatives to provide immediate financial support as a result of the Covid-19 pandemic. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the year.

The profit for the year includes net income of $2,375k (2020: net cost of $24,208k) relating to exceptional and adjusting items (note 6).

Adjusted EBITDA as discussed in the Strategic Report is a non-GAAP measure which is determined as follows:

		Group	
		2021	2020
	Notes	**$000**	$000
Profit/ (loss) from operating activities		**24,905**	(23,272)
Adjustments for:			
Amortisation of other intangible assets	14	**7,293**	6,479
Depreciation of property, plant and equipment	16	**37,296**	40,512
Depreciation of right-of-use assets	17	**10,348**	9,295
Lease liability payments	17	**(11,887)**	(10,778)
Initial direct lease costs capitalised under IFRS 16		**31**	-
Gain on derecognition of lease liabilities and right-of-use assets		**(11)**	(79)
Exceptional and adjusting items (pre-tax)	6	**(3,300)**	24,915
Adjusted EBITDA		**64,675**	**47,072**

The analysis of the auditor's remuneration is as follows:

	2021	2020
	$000	$000
Fees payable to the Company's auditor for the audit of the Company's financial statements	86	87
Fees payable to the Company's auditor for other services to the Group		
- The audit of the Company's subsidiaries	621	453
Total audit fees	707	540
- Taxation compliance services	550	362
- Other taxation advisory services (including acquisition support)	740	226
- Other services	-	112
Total non-audit fees	1,290	700
Total remuneration	1,997	1,240

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

6. Exceptional and adjusting items

Exceptional and adjusting items have been identified in line with Group accounting policy as follows:

	Group	
	2021	2020
	$000	$000
Acquisition related expenses	1,463	597
Early settlement discount	-	484
Impairment of goodwill (note 13)	-	17,760
Impairment of other intangible assets (note 14)	-	2,006
Group restructuring and severance costs	806	1,817
(Recovered contract variations)/ estimated losses on large lump sum underground pipeline contracts	(6,981)	792
Share based payments (note 26)	1,345	965
Contractual and employee dispute	67	494
Total exceptional and adjusting items before tax	(3,300)	24,915
Income tax	925	(707)
Exceptional and adjusting items after tax	(2,375)	24,208

Acquisition related expenses relate to costs associated with the Group's business combinations, comprising the acquisitions of Specialist Services, Polar Septic, and Aleron, and the investigation of other identified opportunities. These expenses are identified as exceptional and adjusting items as they do not relate to the Group's ordinary trading activities.

The early settlement discount relates to a discount agreed with a customer in the Group's US region in 2020 whose ability to settle an outstanding balance had been severely impacted by COVID-19. The discount was identified as an exceptional and adjusting item in 2020 due to the "one-off" nature and the quantum. No other material arrangements of this nature were entered into.

No goodwill impairment charge has been recognised (2020: $17.8m).

No other intangible assets impairment charge has been recognised (2020: $2.0m).

Group restructuring and severance costs comprise professional costs and costs incurred towards staff redundancies as a result of Covid-19, group legal structure rationalisation, and rebranding. While such reorganisations occur periodically, they are not part of ordinary trading activity and therefore are presented as exceptional and adjusting items.

The recovered contract variations on large lump sum underground pipeline contracts of $7.0m (2020: estimated loss $0.8m) arose following the final settlement of two contracts reported within the Canada Project Management Segment that were contracted in 2018. The Group no longer undertakes large lump sum underground pipeline contracts.

Share based payments relate to the current year charge of the parent company share option plan and the cost of restricted shares issued by the parent company to certain members of the executive management team. These expenses are identified as exceptional and adjusting items as they do not relate to ordinary trading activities.

Contractual and employee disputes relate to an increase in the expected cost of settling various contractual legal matters. The associated costs are not considered to relate to the ordinary activities of the Group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

7. Finance income and expense

	Group	
	2021	2020
	$000	$000
Finance income		
Interest on short term bank deposits	**(2)**	(25)
Other interest	**-**	(135)
Total finance income	**(2)**	(160)
Finance expense		
Interest on borrowings	**9,662**	9,335
Interest lease liabilities (note 17)	**2,022**	2,207
Other interest	**276**	210
Total finance expense	**11,960**	11,752
Net finance costs	**11,958**	11,592

8. Other gains and losses

Other gains and losses comprise the following:

	Group	
	2021	2020
	$000	$000
Net foreign currency losses	**(617)**	(137)
Total other gains and losses	**(617)**	(137)

Arising from:

	Group	
	2021	2020
	$000	$000
Financial assets and liabilities at amortised cost	**(617)**	(137)
Total other gains and losses	**(617)**	(137)

9. Interest in joint ventures

The Group's subsidiary Specialist Services, acquired in June 2021, holds a 50% interest in the ordinary shareholdings of joint ventures in RGSS Cyprus Limited and Specialist Services RedGuard LLC USA. These joint ventures are both involved in selling and renting modular buildings.

The following table summarises the movements in the Group's investments in the joint ventures:

	2021
	$000
On acquisition (note 12)	**7,993**
Share in profit for the period from acquisition	**662**
Foreign exchange	**99**
	8,754

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

9. Interest in Joint Ventures (continued)

The following table sets out summarized information of the Group's investments in the joint ventures:

Share in joint ventures aggregate statements of financial position:	2021 $000
Current assets	3,072
Non-current assets	8,310
Non-current liabilities	(1,183)
Current liabilities	(1,445)
Carrying amount of the investments	8,754

The Group's share in joint ventures revenue and results:

	2021 $000
Revenue from contracts with customers for the period from acquisition	4,509
Profit for the period from acquisition	662

10. Employee benefits expense

	Group 2021 $000	 2020 $000
Wages and salaries, including termination benefits	113,758	84,683
Social security costs	3,603	2,920
Pension costs (note 25)	1,662	859
	119,023	88,462
Included in:		
Cost of sales	85,643	60,706
Administrative expenses	33,380	27,756
	119,023	88,462

The above is net of government grants of $5,638k (2020: $7,477) received as part of a various government initiatives to provide immediate financial support as a result of the Covid-19 pandemic.

The average monthly number of employees (including executive directors) was:

	2021 Number	2020 Number
Operations	1,140	819
Managerial, sales, finance, and administration	315	318
	1,455	1,137

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

11. Taxation

Tax recognised in the consolidated income statement

	2021 $000	2020 $000
Current tax		
Current year	-	-
Adjustments in respect of prior year	(452)	350
Foreign tax	6,190	2,429
Total current tax charge	**5,738**	2,779
Deferred tax		
Current year	945	(3,408)
Change in tax rates	(134)	405
Adjustments in respect of previous periods	265	36
Total deferred tax charge/ (credit)	**1,076**	(2,967)
Total income tax charge/ (credit)	**6,814**	(188)

UK corporation tax is calculated at 19% (2020: 19%) of the estimated taxable loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. During 2021 the Group paid corporation, state, and federal taxes of $916k (2020: received $932k).

Reconciliation of income tax charge/(credit)

The income tax charge/(credit) for the year is reconciled to the accounting loss as follows:

	2021 $000	2020 $000
Profit/ (loss) before tax	**12,992**	(35,001)
Income tax charge/(credit) calculated at 19% (2020: 19%)	**2,468**	(6,645)
Expenses not deductible	**347**	4,448
Movement in un-provided deferred tax	**958**	(188)
Withholding taxes and unrelieved overseas taxes	**1,620**	1,636
Different tax rates of subsidiaries operating in other jurisdictions	**2,550**	193
Adjustments recognised in the current year in respect of prior year tax	**(187)**	386
Effect of changes in tax rates	**(134)**	405
Group relief for nil consideration	-	-
Utilisation of tax losses	**(70)**	-
Other	**(738)**	(423)
Total income tax charge/(credit)	**6,814**	(188)

Following enactment of Finance Act 2020 on 22 July 2020, the UK Corporation Tax rate (from 1 April 2020) has been maintained at 19% and has not reduced to 17% as previously legislated. The UK Budget announcement on 3 March 2021 proposed to increase the UK Corporation Tax rate to 25% from 1 April 2023. This rate change was substantively enacted on 24 May 2021. As this was substantively enacted before the reporting date, the UK deferred tax balances as at 31 December 2021 have been measured at 25%.

The provincial government of Alberta (Canada) had enacted legislation to decrease the general corporate income tax rate to 11% (from 12%) on 1 July 2019, with further 1% rate reductions every year, effective 1 January, until the general corporate tax rate reached 8% on 1 January 2022. The combined federal and province rate of 23% applies for this accounting period. This rate has been applied in respect of the Canadian deferred tax assets and liabilities.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

11. Taxation (continued)

Deferred tax liabilities

The deferred tax liabilities and assets recognised by the Group and the movement during the current and prior year is as follows:-

	2021 $000	2020 $000
Balance at 1 January	3,227	6,345
Credit for the year	1,210	(3,372)
- Credit in the year	945	(3,408)
- Adjustments in respect of prior years	265	36
Effect of changes in tax rates	(134)	405
On acquisition	1,498	-
Foreign exchange	8	(151)
Balance at 31 December	5,809	3,227

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. Deferred tax as presented on the statement of financial position is:

	2021 $000	2020 $000
Deferred tax liabilities	9,579	8,822
Deferred tax assets	(3,770)	(5,595)
	5,809	3,227

Arising from:	2021 $000	2020 $000
Intangible assets other than goodwill	(1,568)	(2,928)
Property, plant and equipment	21,068	23,148
Other temporary differences	1,558	2,517
Estimated tax losses	(15,249)	(19,510)
Total deferred tax	5,809	3,227

At the balance sheet date, a deferred tax asset arising from losses and other temporary differences, in the UK, of $33.6m (2020: $28.0m) and in the US of $14.5m (2020: $nil) has not been recognised as its recoverability is subject to future profitability and is uncertain. The tax losses may be carried forward indefinitely.

No deferred tax liability is recognised on the unremitted earnings of overseas subsidiaries, as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

12. Business combinations

Specialist Services

On 22 June 2021, the Group purchased 100% of the shareholding of Specialist Services Holdings Limited ("Specialist Services") based in the UAE, UK, India and Singapore. The purchase consideration was settled through cash, with the total consideration amount being $50.0m ($46.1m net cash outflow after deducting cash at completion).

Specialist Services is a manufacturer for the sale and rental of accommodation and technical buildings and performance enhancing production equipment. The acquisition enhanced the Group's geographic footprint by adding a presence in UAE and India and augmenting the Group's operations in Singapore and UK. It also brought additional technical capabilities, new product and service lines and opportunities in adjacent markets.

The following table sets out the book values of the separately identifiable assets and liabilities acquired and their fair values on acquisition.

	Book value $000	Accounting Policy Alignment $000	Adjusted Book Value $000	Fair value adjustment $000	Fair value to the Group $000
NON-CURRENT ASSETS					
Intangible assets	-	-	-	12,914	12,914
Property, plant and equipment	17,587	-	17,587	-	17,587
Right-of-use asset	1,789	-	1,789	457	2,246
Investments	7,993	-	7,993	-	7,993
Total non-current assets	**27,369**	**-**	**27,369**	**13,371**	**40,740**
CURRENT ASSETS					
Trade and other receivables*	18,075	-	18,075	-	18,075
Inventory	2,095	-	2,095	-	2,095
Cash and bank balances	3,931	-	3,931	-	3,931
Total current assets	**24,101**	**-**	**24,101**	**-**	**24,101**
TOTAL ASSETS	**51,470**	**-**	**51,470**	**13,371**	**64,841**
CURRENT LIABILITIES					
Trade and other payables	14,119	-	14,119	-	14,119
Corporation tax	40	-	40	-	40
Lease liability	1,899	-	1,899	346	2,245
Deferred tax	(34)	-	(34)	-	(34)
Total current liabilities	**16,024**	**-**	**16,024**	**346**	**16,370**
Net assets acquired	**35,446**	**-**	**35,446**	**13,025**	**48,471**
Cash on completion					50,000
Total consideration					**50,000**
Resultant goodwill					**1,529**

*The fair value of the trade and other receivables includes trade receivables with a fair value of $6.4 million and a gross contractual value of $8.1 million. The best estimate at acquisition date of the contractual cash flows not to be collected is $1.7 million.

Intangible assets comprise the estimated fair value of customer relationships and brand arising from the acquisition. Goodwill arising on all business combinations in the year is not expected to be deductible for tax purposes.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

12. Business combinations (continued)

Cash outflow from acquisition	$000
Cash paid on completion	(50,000)
Cash	3,931
Net cash outflow from acquisition	(46,069)

Specialist Services' summarised income statement for the period from 22 June 2021 to 31 December 2021 is as follows:

Income statement	$000
Revenue	17,108
Cost of sales	(9,995)
Gross profit	7,113
Administrative expenses	(4,297)
Profit from operating activities	2,816
Exceptional and adjusting items	(136)
Share of profit from joint ventures	662
Other gains and losses	(128)
Profit on ordinary activities before taxation	3,214

Had Specialist Services been consolidated from 1 January 2021, the summarised income statement for the period from 1 January 2021 to 31 December 2021 would be:

Income statement	$000
Revenue	42,092
Cost of sales	(25,428)
Gross profit	16,664
Administrative expenses	(8,635)
Profit from operating activities	8,029
Exceptional and adjusting items	(136)
Share of profit from joint ventures	620
Other gains and losses	408
Profit on ordinary activities before taxation	8,921
Adjusted EBITDA	10,871

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

12. Business combinations (continued)

Polar Septic

On 19 November 2021, the Group purchased 100% of the shareholding of Polar Septic Systems ("Polar Septic") based in Canada. The purchase consideration was settled through a combination of cash and an issue of shares in the Group's ultimate parent, Centurion Group Limited. The fair value of the total consideration is estimated at $6.1m ($4.2m net cash outflow after deducting cash at completion).

Polar Septic provides waste and wastewater treatment for remote camp locations servicing energy, infrastructure and government end markets in Canada. The acquisition enhanced the Group's existing Canadian operations in smaller waste and wastewater treatment plants concentrated in the energy market.

The following table sets out the book values of the separately identifiable assets and liabilities acquired and their fair values on acquisition.

	Book value $000	Accounting Policy Alignment $000	Adjusted Book Value $000	Fair value adjustment $000	Fair value to the Group $000
NON-CURRENT ASSETS					
Intangible assets	-	-	-	2,236	2,236
Property, plant and equipment	1,828	-	1,828	-	1,828
Total non-current assets	**1,828**	**-**	**1,828**	**2,236**	**4,064**
CURRENT ASSETS					
Trade and other receivables	854	-	854	-	854
Cash and bank balances	31	-	31	-	31
Total current assets	**885**	**-**	**885**	**-**	**885**
TOTAL ASSETS	**2,713**	**-**	**2,713**	**2,236**	**4,949**
CURRENT LIABILITIES					
Trade and other payables	183	-	183	-	183
Corporation tax	(108)	-	(108)	-	(108)
Deferred tax	-	-	-	482	482
Total current liabilities	**75**	**-**	**75**	**482**	**557**
Net assets acquired	**2,638**	**-**	**2,638**	**1,754**	**4,392**

Cash on completion	3,969
Working capital adjustment	302
Fair value of shares issued	1,808
Total consideration	**6,079**
Resultant goodwill	**1,687**

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2021

12. Business combinations (continued)

Cash outflow from acquisition	**$000**
Cash paid on completion	(4,271)
Cash	31
Net cash outflow from acquisition	(4,240)

Polar Septic's summarised income statement for the period from 20 November 2021 to 31 December 2021 is as follows:

Income statement	**$000**
Revenue	796
Cost of sales	(330)
Gross profit	466
Administrative expenses	(134)
Profit on ordinary activities before taxation	332

Had Polar Septic been consolidated from 1 January 2021, the summarised income statement for the period from 1 January 2021 to 31 December 2021 would be:

Income statement	**$000**
Revenue	4,776
Cost of sales	(2,416)
Gross profit	2,360
Administrative expenses	(1,361)
Exceptional items	(44)
Profit on ordinary activities before taxation	955
Adjusted EBITDA	1,584

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

12. Business combinations (continued)

Aleron

On 22 December 2021, the Group purchased 100% of the shareholding of Aleron Technology Limited and its subsidiaries, Aleron Limited and Rovquip Limited (together "Aleron") based primarily in the United Kingdom. The purchase consideration was settled through a combination of cash and an issuance of shares in the Group's ultimate parent, Centurion Group Limited. The fair value of the total consideration is estimated at $9.1m ($5.3m net cash outflow after deducting cash at completion).

Aleron is a subsea services business specializing in highly technical equipment for underwater operations in offshore wind, energy and telecoms markets. This acquisition enhanced the Group's existing UK and US subsea business that provides adjacent equipment and provides the Group with a larger presence in the growing offshore wind market.

The following table sets out the book values of the separately identifiable assets and liabilities acquired and their fair values on acquisition.

	Book value $000	Accounting Policy Alignment $000	Adjusted Book Value $000	Fair value adjustment $000	Fair value to the Group $000
NON-CURRENT ASSETS					
Intangible assets	1,149	-	1,149	2,060	3,209
Property, plant and equipment	2,058	-	2,058	-	2,058
Right-of-use assets	-	384	384	-	384
Total non-current assets	**3,207**	**384**	**3,591**	**2,060**	**5,651**
CURRENT ASSETS					
Trade and other receivables	740	-	740	-	740
Inventory	1,762	-	1,762	-	1,762
Cash and bank balances	1,360	-	1,360	-	1,360
Total current assets	**3,862**	**-**	**3,862**	**-**	**3,862**
TOTAL ASSETS	**7,069**	**384**	**7,453**	**2,060**	**9,513**
CURRENT LIABILITIES					
Trade and other payables	1,655	-	1,655	-	1,655
Corporation tax	42	-	42	-	42
Lease liability	-	98	98	-	98
Deferred tax	501	-	501	549	1,050
Total Current Liabilities	**2,198**	**98**	**2,296**	**549**	**2,845**
NON-CURRENT LIABILITIES					
Lease liability	-	286	286	-	286
Total Non-Current Liabilities	**-**	**286**	**286**	**-**	**286**
Net assets acquired	**4,871**	**-**	**4,871**	**1,511**	**6,382**

Consideration	
Cash on completion	7,182
Working capital adjustment	(522)
Fair value of shares issued	2,410
Total consideration	**9,070**
Resultant goodwill	**2,688**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

12. Business combinations (continued)

Cash outflow from acquisition	**$000**
Cash paid on completion	(6,660)
Cash	1,360
Net cash outflow from acquisition	(5,300)

Had Aleron been consolidated from 1 January 2021, the summarised income statement for the period from 1 January 2021 to 31 December 2021 would be:

Income statement	**$000**
Revenue	6,699
Cost of sales	(3,608)
Gross profit	3,091
Administrative expenses	(1,905)
Profit from operating activities	1,186
Finance cost (net)	(2)
Exceptional and adjusting items	(1,050)
Profit on ordinary activities before taxation	134
Adjusted EBITDA	1,818

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

13. Goodwill

	$000
Balance at 1 January 2020	120,482
Foreign exchange	2,394
Fair value adjustment on finalisation of provisional values	(1,346)
Impairment charge for the year	(17,760)
Balance at 31 December 2020	103,770
Foreign exchange	(910)
On acquisition	5,904
Balance at 31 December 2021	108,764

Goodwill acquired in a business combination is allocated, on acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination.

The goodwill attached to each CGU is as follows:

Region and Brand	2021 $000	2020 $000
US – Accommodation	**6,630**	6,630
US – Production & Downhole*	**23,375**	15,510
US – Twilight	**7,275**	7,275
US – G5S*	**-**	7,865
Canada – WTS Rentals	**15,740**	15,746
Canada – Prospector	**1,956**	1,957
Canada – Arctic Crane	**1,134**	1,134
Canada – Tango Delta	**1,586**	1,587
Canada – Polar Septic	**1,687**	-
Canada – Site	**3,596**	3,597
UK & Caspian – Conserve Rentals & Services	**24,348**	24,659
UK & Caspian – ATR Offshore Holdings	**3,232**	3,273
UK & Caspian – Safety & Technical Hydraulics	**1,860**	1,884
UK & Caspian – Rentair	**-**	-
UK & Caspian – Seanic	**1,024**	1,024
UK & Caspian – Osprey3	**4,107**	4,159
UK & Caspian – Aleron	**2,688**	-
Asia Pacific – Tristar Water Solutions	**36**	38
Asia Pacific – Jacks Winches	**6,961**	7,432
Middle East – Specialist Services	**1,529**	-
Total Goodwill	**108,764**	103,770

*For the year ended 31 December 2021, G5S goodwill was included within the US region's Production & Downhole CGU. This reflects the aligned business activities between the two business lines.

The Group performed an impairment assessment as at 31 December 2021. In considering goodwill, the recoverable amounts of the CGU's are determined from value in use calculations. Key assumptions include forecast trading and capital expenditure cash flows, future growth rates and the application of appropriate discount rates. Management estimate the discount rates using pre-tax rates that reflect market assessment of the time value of money and the risks specific to the CGUs.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

13. Goodwill (continued)

Management has prepared cash flow projections for the five years ending 31 December 2026. These projections reflect the latest approved Group full-year forecast for the year ending 31 December 2022 with projections for future years. Assumptions are developed using a combination of external industry outlook reports, management judgement and historical information and analysis. In the period, up to 31 December 2026 annual growth is anticipated as CGU's benefit from an expected market growth, reflecting the cyclical nature of the oil and gas market as oil supply and demand rebalances. EBITDA annual growth rates have been estimated in each CGU in the financial years 2022 to 2026. These annual growth rates are based on industry outlook reports and are specific to each geography and market. For the terminal period a growth rate of 2% has been applied across the group's CGUs.

Pre-tax discount rates ranging from 11.3% to 14.76% (2020: 13.3% to 13.9%) were applied in determining the value in use of each CGU, the rates vary by geographical market due to specific risks in the respective market.

The annual impairment assessment did not identify any impairment at 31 December 2021 (31 December 2020: $17,760k).

A sensitivity analysis has been performed to determine the percentage reduction in the projected cashflows required for a CGUs recoverable amount to be equal to its carrying value, with all other assumptions used remaining constant. The following CGUs require a reduction of less than 20% in 2022 projected cashflows for the recoverable amount of the CGU to be equal to its carrying value:

Group

Region	Brand	Goodwill $000	Other NCA (*) $000	Total carrying value $000	Value In use $000	Required reduction in 2022 projected cash flow	Required increase in discount rate
USL	Twilight	7,275	4,527	11,802	12,858	13%	1.48%

(*) includes other intangible assets, property plant and equipment net of deferred taxation arising on business combinations.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

14. Other intangible assets

Group

	Customer relationships $000	Trade names $000	Other intangibles $000	Total $000
Cost				
Balance at 1 January 2020	**76,047**	**5,355**	**6,939**	**88,341**
Foreign exchange	1,976	93	88	2,157
Balance at 31 December 2020	**78,023**	**5,448**	**7,027**	**90,498**
On acquisition	14,391	2,413	1,555	18,359
Foreign exchange	(792)	(4)	(25)	(821)
Balance at 31 December 2021	**91,622**	**7,857**	**8,557**	**108,036**
Accumulated amortisation and impairment				
Balance at 1 January 2020	**55,120**	**3,910**	**4,023**	**63,053**
Charge for the year	5,306	397	776	6,479
Impairment charge for the year	2,006	-	-	2,006
Foreign exchange	1,675	85	78	1,838
Balance at 31 December 2020	**64,107**	**4,392**	**4,877**	**73,376**
Charge for the year	5,726	784	783	7,293
Foreign exchange	(693)	(8)	(20)	(721)
Balance at 31 December 2021	**69,140**	**5,168**	**5,640**	**79,948**
Net book value				
At 31 December 2021	**22,482**	**2,689**	**2,917**	**28,088**
At 31 December 2020	13,916	1,056	2,150	17,122

The remaining amortisation period for other intangible assets is as follows:

Customer relationships	5 to 10 years
Trade names	5 years
Other intangible assets	1 to 5 years

The amortisation charge for the year is included in administrative expenses in the consolidated income statement.

No impairment charge (2020: $2.0m) has been recognised. The Group considered the potential reversal of impairment charge and the directors are satisfied the previous impairment represented permanent loss of value in customer relationships.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

15. Fixed asset investments

Company

	2021	2020
	$000	$000
Investment in subsidiaries	**265,479**	263,112

	$'000
Balance at 1 January 2021	263,112
Additions	2,367
Balance at 31 December 2021	**265,479**

Holdings of more than 20%

The Company directly holds more than 20% of the issued share capital of the following companies:

			Shares held	
Company	Principal activity	Country of Incorporation	Class	%
Centurion 1 Limited	Intermediate holding company	Scotland	Ordinary	100%
Centurion Group (USA) LLC	Corporate services	USA	Not applicable	100%

The registered address of Centurion 1 Limited is Blackwood House, Union Grove Lane, Aberdeen, Scotland, AB10 6XU.

The registered address of Centurion Group (USA) LLC is Corporation Trust Centre, 1209 Orange Street, Wilmington, Delaware 19801, USA.

The list of entities in which the Company holds an indirect interest of more than 20% of the share capital is found at note 27.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

16. Property, plant and equipment

Group

	Leasehold land and buildings $000	Hire fleet $000	Equipment $000	Gravel rights $000	Assets under construction $000	Total $000
Cost						
Balance at 1 January 2020	**12,902**	**268,892**	**87,720**	**4,826**	**5,858**	**380,198**
Additions	142	21,282	2,367	-	-	23,791
Transfer from inventory	-	5,035	-	-	-	5,035
Transfers	-	5,808	-	-	(5,808)	-
Disposals	(156)	(9,888)	(18,342)	-	-	(28,386)
Foreign exchange	335	3,805	1,989	110	6	6,245
Balance at 31 December 2020	**13,223**	**294,934**	**73,734**	**4,936**	**56**	**386,883**
On acquisition	2,570	14,040	3,494	-	1,369	21,473
Additions	67	18,060	4,870	-	3,382	26,379
Transfers	-	3,664	-	-	(3,664)	-
Disposals	(1,595)	(15,570)	(12,122)	-	-	(29,287)
Foreign exchange	(64)	(2,166)	(230)	(2)	(28)	(2,490)
Balance at 31 December 2021	**14,201**	**312,962**	**69,746**	**4,934**	**1,115**	**402,958**
Accumulated depreciation and impairment						
Balance at 1 January 2020	**7,430**	**133,388**	**53,594**	**1,400**	**-**	**195,812**
Charge for the year	903	32,003	7,569	37	-	40,512
Disposals	(146)	(7,552)	(13,150)	-	-	(20,848)
Foreign exchange	225	2,468	1,544	35	-	4,272
Balance at 31 December 2020	**8,412**	**160,307**	**49,557**	**1,472**	**-**	**219,748**
Charge for the year	1,315	29,306	6,654	-	21	37,296
Disposals	(2,803)	(10,294)	(9,578)	-	-	(22,675)
Foreign exchange	(3)	(1,332)	(200)	(1)	(2)	(1,538)
Balance at 31 December 2021	**6,921**	**177,987**	**46,433**	**1,471**	**19**	**232,831**
Net book value						
At 31 December 2021	**7,280**	**134,975**	**23,313**	**3,463**	**1,096**	**170,127**
At 31 December 2020	4,811	134,627	24,177	3,464	56	167,135

There is a floating charge held over the assets noted above in relation to the Group's borrowings arrangements as detailed in note 21.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

17. Leases

Group

Right of use asset	Offices and buildings $000	Vehicles $000	Equipment $000	IT equipment $000	**Total $000**
Balance at 1 January 2020	**58,156**	**7,902**	**2,681**	**509**	**69,248**
Additions	3,879	4,552	674	148	9,253
Disposals	(4,085)	(1,259)	(2,113)	(86)	(7,543)
Foreign exchange	1,665	69	2	20	1,756
Balance at 31 December 2020	**59,615**	**11,264**	**1,244**	**591**	**72,714**
On acquisition	2,630	-	-	-	2,630
Additions	3,381	2,909	34	-	6,324
Disposals	(1,743)	(943)	(43)	(283)	(3,012)
Foreign exchange	(649)	(51)	(8)	-	(708)
Balance at 31 December 2021	**63,234**	**13,179**	**1,227**	**308**	**77,948**
Accumulated depreciation					
Balance at 1 January 2020	**25,533**	**2,075**	**1,716**	**122**	**29,446**
Charge for the year	5,153	3,512	499	131	9,295
Disposals	(3,111)	(1,221)	(1,740)	(86)	(6,158)
Foreign exchange	881	34	(15)	8	908
Balance at 31 December 2020	**28,456**	**4,400**	**460**	**175**	**33,491**
Charge for the year	5,891	4,072	312	73	10,348
Disposals	(1,524)	(929)	(43)	(86)	(2,582)
Foreign exchange	(362)	(19)	(4)	(1)	(386)
Balance at 31 December 2021	**32,461**	**7,524**	**725**	**161**	**40,871**
Net book value					
At 31 December 2021	**30,773**	**5,655**	**502**	**147**	**37,077**
At 31 December 2020	31,159	6,864	784	416	39,223

Lease liabilities	Offices and buildings $000	Vehicles $000	Equipment $000	IT Equipment $000	**Total $000**
Balance at 1 January 2020	**37,751**	**5,900**	**987**	**387**	**45,025**
Additions	3,890	4,052	674	199	8,735
Disposals	(1,013)	(40)	(411)	-	(1,464)
Interest expense	1,867	292	31	17	2,207
Repayment of lease liability	(6,445)	(3,729)	(469)	(135)	(10,778)
Foreign exchange	966	35	17	13	1,031
Balance at 31 December 2020	**37,016**	**6,510**	**829**	**401**	**44,756**
On acquisition	2,236	-	-	393	2,629
Additions	3,381	2,909	34	-	6,324
Disposals	(223)	(19)	-	(199)	(441)
Interest expense	1,788	210	20	4	2,022
Repayment of lease liability	(7,418)	(4,060)	(341)	(68)	(11,887)
Foreign exchange	(350)	(69)	(4)	(6)	(429)
Balance at 31 December 2021	**36,430**	**5,481**	**538**	**525**	**42,974**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

17. Leases (continued)

A maturity analysis of the Group's total lease liability is shown below:

Lease Liabilities	2021 $000	2020 $000
Current	**9,736**	7,986
Non-current	**33,238**	36,770
Total	**42,974**	44,756

The amounts charged to operating profit/(loss) and amounts charged to finance costs are as follows:

	2021 $000	2020 $000
Depreciation charge for right of use assets		
- Offices and buildings	**5,891**	5,153
- Vehicles	**4,072**	3,512
- Equipment	**312**	499
- IT Equipment	**73**	131
Short term and low value lease expense	**1,255**	207
Charged to operating profit	**11,603**	9,502
Interest expense related to lease liabilities	**2,022**	2,207
Charge to profit before tax	**13,625**	11,709

The short term and low value lease expense of $1,255k (2020: $207k) has been included in the cash flow from operating activities. The Group leases various properties, vehicles and equipment. The majority of the lease liabilities relates to properties with leases generally entered into for fixed periods. Some leases have extension options as described below. Lease terms are negotiated individually and contain a wide range of terms and conditions. The lease arrangements do not impose covenants other than the security interests in the leased assets that are held by the lessor.

The Group recognised a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Groups incremental borrowing rate ("IBR").

The lease liability is subsequently increased by the interest cost on the lease liability and reduced by the lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's IBR is used. The IBR is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

18. Inventories

	Group	
	2021	2020
	$000	$000
Raw materials	**8,112**	3,496
Work-in-progress	**431**	345
Consumables, spares and finished goods	**11,227**	10,517
	19,770	14,358

The amount expensed in respect of a provision for inventory to net realisable value is $807k (2020: $132k).

19. Trade and other receivables

	Company		Group	
	2021	2020	**2021**	2020
	$000	$000	**$000**	$000
Trade receivables	-	-	**85,285**	66,344
Loss allowance	-	-	**(2,047)**	(1,542)
Net trade receivables	-	-	**83,238**	64,802
Prepayments and accrued income	**360**	493	**44,922**	18,189
Amounts recoverable on contracts	-	-	**1,038**	4,529
Other debtors	-	-	**4,634**	4,454
	360	493	**133,832**	91,974

Trade receivables disclosed above are classified as loans and receivables and are measured at amortised cost. Amounts recoverable on contracts vary depending on the phasing and timing of projects.

Trade receivables are considered past due when they become older than 30 days or longer in cases where specific credit terms have been agreed. The ageing of those trade receivables past due is as follows:

Ageing of past due but not impaired

	2021	2020
	$000	$000
Up to 3 months	**12,121**	25,329
Over 3 months	**5,066**	2,334
Total	**17,187**	27,663
Trade receivables days (countback)	**71**	75

Further details regarding the credit risk of trade receivables is provided within Note 31.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100 per cent against all receivables over 365 days past due because historical experience has indicated that recoverability of these receivables is uncertain. No loss allowance is recognised for receivables less than 365 days past due unless there are specific factors indicating the receivables are impaired.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

19. Trade and other receivables (continued)

The movement on the loss allowance is as follows:

	Group	
	2021	2020
	$000	$000
At 1 January	**1,542**	940
Change in loss allowance due to new trade and other receivables originated net of those recognised due to settlement	**505**	602
At 31 December	**2,047**	1,542

20. Share capital and reserves

Authorised share capital

	2021 Units	2020 Units
Ordinary Shares of £1 each	**1,787,501**	1
A Ordinary Shares of $1 each	**263,112,437**	263,112,437
	264,899,938	263,112,438

The Ordinary Shares and the A Ordinary Shares rank pari passu and carry equal voting rights.

	2021	2020
	$000	$000
Balance at 1 January	**263,112**	263,112
Issued during the year - non cash	**2,367**	-
Balance at 31 December	**265,479**	263,112

Additional share capital was issued during the year on the acquisition of Aleron (note 12).

Other equity reserves

Group	Currency translation reserve $000	Share-based payments $000	**Total $000**
Balance at 1 January 2020	**(26,977)**	**1,390**	**(25,587)**
Share based payments charges	-	1,642	**1,642**
Exchange differences arising on consolidation	4,823	-	**4,823**
Balance at 1 January 2021	**(22,154)**	**3,032**	**(19,122)**
Share based payments charges	-	1,345	**1,345**
Exchange differences arising on consolidation	(107)	-	**(107)**
Balance at 31 December 2021	**(22,261)**	**4,377**	**(17,884)**

Currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentational currency are recognised directly in other comprehensive income and accumulated in the currency translation reserve.

Share-based payments

This reserve comprises the *IFRS 2 'Share-based payments'* charge relating to the Group's equity-settled share-based payments. See note 26 for further details.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

20. Share capital and reserves (continued)

Merger reserve

This reserve arose on the reorganisation of the Group in 2017 and 2018 when certain entities held under common control were brought into the Group and the difference between their net assets and the fair value of shares issued was transferred to the merger reserve.

Accumulated losses

This represents accumulated profit and losses for the current and prior years' net of dividends and other permissible transfers under IFRS.

21. Borrowings

	Group 2021 $000	Group 2020 $000
Borrowings		
Bank borrowings on demand and due within one year	**80,804**	51,539
Exchangeable shares on demand and due within one year	**27,337**	25,535
Unamortised issue costs	**(2,507)**	(3,362)
	105,634	73,712
Bank borrowings due between one and two years	**21,296**	89,755
Bank borrowings due between two and five years	**60,613**	-
Unamortised issue costs	**(2,616)**	(1,329)
	79,293	88,426
Total borrowings	**184,927**	162,138

The exchangeable shares have no residual interest in CGHCL and the holders have a right to request to exchange their shares for shares in CGL subject to approval by CGL.

Borrowings as at 31 December 2021 comprise the following:

	Due within one year $000	Between one and two years $000	Between two and five years $000	Total $000
£31.9m facility A1 bank borrowings	8,873	8,873	25,256	43,002
$37.9m facility B1 bank borrowings	7,821	7,821	22,260	37,902
C$10.6m facility C1 bank borrowings	1,713	1,713	4,876	8,302
C$17.8m facility C2 bank borrowings	2,889	2,889	8,221	13,999
$59.5m drawn from the GBP revolving credit facility (RCF A)	59,508	-	-	59,508
Bank borrowings	**80,804**	**21,296**	**60,613**	**162,713**
$27.3m exchangeable shares	27,337	-	-	27,337
Unamortised issue costs	(2,507)	(2,616)	-	(5,123)
Total borrowings	**105,634**	**18,680**	**60,613**	**184,927**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

21. Borrowings (continued)

Borrowings as at 31 December 2020 comprised the following:

	Due within one year $000	Between one and two years $000	Between two and five years $000	Total $000
£38.5m facility A1 bank borrowings	8,986	43,546	-	52,532
$45.7m facility B1 bank borrowings	7,821	37,903	-	45,724
C$12.8m facility C1 bank borrowings	1,714	8,306	-	10,020
$31.7m drawn from the GBP revolving credit facility (RCF A)	31,683	-	-	31,683
C$1.7m drawn from the CAD revolving credit facility (RCF B)	1,335	-	-	1,335
Bank borrowings	51,539	89,755	-	141,294
$25.5m exchangeable shares	25,535	-	-	25,535
Unamortised issue costs	(3,362)	(1,329)	-	(4,691)
Total borrowings	73,712	88,426	-	162,138

The borrowings are denominated in the following currencies:

	2021			
	USD $000	**GBP $000**	**CAD $000**	**Total $000**
Bank borrowings	**37,903**	**43,000**	**22,302**	**103,205**
Bank revolving credit facility	**49,400**	**10,108**	**-**	**59,508**
Bank borrowings	**87,303**	**53,108**	**22,302**	**162,713**
Exchangeable shares	**27,337**	**-**	**-**	**27,337**
Unamortised issue costs	**-**	**(5,123)**	**-**	**(5,123)**
Total borrowings	**114,640**	**47,985**	**22,302**	**184,927**

	2020			
	USD $000	GBP $000	CAD $000	Total $000
Bank borrowings	45,724	52,532	10,020	108,276
Bank revolving credit facility	31,683	-	1,335	33,018
Bank borrowings	77,407	52,532	11,355	141,294
Exchangeable shares	25,535	-	-	25,535
Unamortised issue costs	(618)	(3,374)	(699)	(4,691)
Total borrowings	102,324	49,158	10,656	162,138

In December 2021 the term of the credit facility was extended from 31 December 2022 to 31 December 2024 with a mixture of the existing consortium of banks and new banks included in the consortium. The consortium now comprises of Wells Fargo Bank NA, HSBC UK, HSBC Canada, HSBC USA NA, Clydesdale Bank, Amegy Bank NA, IberiaBank, ATB Financial, The Royal Bank of Scotland, Royal Bank of Canada, and The Toronto-Dominion Bank. As part of the amendment of the facilities agreement, the group transitioned certain facilities from LIBOR to SONIA as noted below. The Group accounted for the change to SONIA using the practical expedient introduced by the Phase 2 amendments, which allows the Group to change the basis for determining the contractual cash flows prospectively by revising the effective interest rate.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

21. Borrowings (continued)

- Facility A1 bears interest of three-month LIBOR/ SONIA plus a margin and is scheduled to be repaid in quarterly instalments of:
    - £1.6m commencing March 2022
    - one final instalment of £13.8m in December 2024

- Facility B1 bears interest of three-month LIBOR plus a margin and is scheduled to be repaid in quarterly instalments of:
    - $2.0m commencing March 2022
    - one final instalment of $16.4m in December 2024

- Facility C1 bears interest of three-month CDOR plus a margin and is scheduled to be repaid in quarterly instalments of:
    - CAD$0.5m commencing March 2022
    - one final instalment of CAD$4.6m in December 2024

- Facility C2 bears interest of three-month CDOR plus a margin and is scheduled to be repaid in quarterly instalments of:
    - CAD$0.9m commencing March 2022
    - one final instalment of CAD$7.7m in December 2024

- $63.4m has been drawn down from the GBP revolving credit facility (RCF A). The facility bears interest at one-month LIBOR/ SONIA plus a margin. The facility is repayable in December 2024.

- $Nil has been drawn down from the Canadian Dollar revolving credit facility (RCF B). The facility bears interest on the Canadian Dollar Offered Rate (CDOR) plus a margin. The facility is repayable in December 2024.

The interest margin payable on Facilities A1, B1, C1, and C2 and the revolving credit facilities is based on a sliding scale depending on the leverage ratio and ranges from 2.5% to 4.5%.

Bank borrowings are stated net of unamortised bank loan issue costs which are being amortised over the periods of the loans.

Bank borrowings are subject to customary bank covenants and credit agreement conditions. The Group was in compliance with its bank covenants throughout the year and at year end.

The bank borrowings are secured by a floating charge over the assets of subsidiary entities who are obligors. A cross guarantee is in place between the respective group companies and the lenders.

Exchangeable shares were issued to certain former shareholders of SITE and WTS Rentals by the subsidiary company Centurion Group Holdings (Canada) Limited ("CGCHL") as part of the combination on 29 December 2018. Further exchangeable shares were issued to certain former shareholders of Tango Delta as part of the acquisition on 11 February 2019. During 2021, exchangeable shares were issued to certain former shareholders of Polar Septic as part of the acquisition on 19 November 2021. These shares do not earn a fixed dividend and can only be redeemed by CGHCL on the authority of the ultimate parent, Centurion Group Limited ("CGL"). The exchangeable shares have no residual interest in CGHCL and the holders have a right to request to exchange their shares for shares in CGL subject to approval by CGL.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

21. Borrowings (continued)

Summary of revolving credit facilities

The Group has $189m (2020: $139m) in revolving credit facilities. The following amounts were undrawn as at 31 December:

	Group	
	2021	2020
	$000	$000
Gross amount unused	**129,377**	106,348

The base currencies of RCF A and RCF B are GBP and CAD respectively. RCF A is multicurrency and can be drawn down in GBP, USD, AUD, Euro or any other currency which is readily available and convertible to the base currency in the currency market, subject to customary bank covenants and credit agreement conditions.

22. Operating lease liabilities

The future aggregate minimum lease payments under operating lease commitments not included in Note 17 are as follows:

	Group	
	2021	2020
	$000	$000
Within one year	**191**	6
Total	**191**	6

The above leases are not capitalised in accordance with group policy as explained in note 2.16.

23. Provisions

	Group	
	2021	2020
	$000	$000
Non-current	**4,405**	858
	4,405	858

	Employee end of service benefits	Contractual and employee dispute provisions $000	Dilapidations provisions $000	**Total $000**
At 1 January 2021	-	494	364	**858**
On acquisition	3,486	-	-	**3,486**
Provision in the year	-	67	-	**67**
Utilisation of provision in the year	-	-	(6)	**(6)**
At 31 December 2021	3,486	561	358	**4,405**

The provision for dilapidations represents management's best estimate of the Group's obligation to restore certain leased properties to a standard specified in the lease at the end of the lease term.

The provision for contractual and employee disputes represents management's best estimate of the expected cost of settling various contractual legal matters. Refer to note 6 for further details.

The provision for employee end of service benefits represents an amount due to employees for past service. The amount payable is dependent on number of years service and related payrate and is paid upon termination of the respective employee's employment contract.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

24. Trade and other payables

	Company		Group	
	2021	2020	-2021	2020
	$000	$000	$000	$000
Trade payables	366	54	53,077	24,777
Payroll taxes and social security	-	-	6,845	1,714
Other payables	26	-	29,615	20,331
Contract liabilities relating to project management	-	-	1,533	-
	392	54	91,070	46,822

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 75 days (2020: 75 days). For most suppliers no interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The directors consider that the carrying amount of trade payables approximates to their fair value.

Contract liabilities relating to project management contracts are balances due to customers under Project management contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

25. Retirement benefit plans

The Group contributes to stakeholder plans for eligible employees. Pension costs charged in the year amounted to $1,662k (2020: $859k). Pension contributions $324k (2020: $128k) were outstanding at 31 December 2021.

26. Share based payments

The Company's parent, Centurion Group Limited ("CGL"), has a share option plan for certain employees of its subsidiaries. Under this plan, options are awarded to purchase CGL shares at a future date for a price set at grant date (exercise price). Outstanding options at 31 December 2021 are exercisable at prices ranging from $0.01 to $2.01 and vest over periods ranging from zero to four years.

Options lapse at the earliest of the following:

- Attempt to transfer or reassign or have any charge or other security interest created over them (except in the event of the holder's death, in which case they are transferrable to the option holder's personal representatives); or
- Date specified in the option certificate; or
- Expiry of a period of seven years following the date of grant; or
- When the option holder becomes bankrupt or make voluntary arrangement with their creditors or takes similar steps under laws of any jurisdiction that correspond to those provisions of the insolvency act; or
- When the recipient ceases to hold office or employment, or the recipient gives or receives notice to terminate employment with a Group company:
  - Before the first anniversary of the date of grant the recipient shall forfeit the whole option;
  - Before the second anniversary of the date of grant the recipient shall forfeit two thirds of the option;
  - Before the third anniversary of the date of grant the recipient shall forfeit one third of the option.

At 31 December 86 employees (2020: 146 employees) participated in these schemes.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

26. Share based payments (continued)

Details of the management units outstanding under the share option plan during the year are as follows:

	2021		2020	
	Number of Units 000's	Weighted Average Exercise Price $	Number of Units 000's	Weighted Average Exercise Price $
Outstanding at the beginning of the year	**26,720**	**0.80**	25,013	0.95
Awarded during the year	**1,317**	**0.62**	7,600	0.37
Forfeited during the year	**-**	**-**	(4,741)	1.31
Lapsed during the year	**(1,239)**	**1.34**	(1,152)	1.59
Outstanding at the end of the year	**26,798**	**0.88**	26,720	0.80

The weighted average remaining contractual life of the units outstanding at year end was 3 years (2020: 3 years). The IFRS 2 'Share based payments' fair value of each award is estimated as of the grant date using a Black Scholes binomial model. Key inputs into the binomial model are as follows:

	2021	2020
Expected volatility	**39.47%**	39.47%
Expected life	**4 years**	3 years
Risk free rate	**0.18% - 0.70%**	0.02%
Expected dividend yield	**Nil**	Nil

Expected volatility was determined by calculating the historical volatility of the estimated fair value of comparable quoted companies over the previous four years. The expected life used in the model has been adjusted, based on management's best estimate after considering the effects of non-transferability, exercise restrictions, and behavioural considerations.

As at 31 December 2021 a charge of $1,345k was expensed in the consolidated income statement in relation to the fair value of the units issued to date (2020: $965k), including the restricted shares issued to certain members of the management team.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

27. Group information

The Consolidated Financial Statements of the Group comprise the following subsidiaries. Ownership interests noted in the table below:

Name of subsidiary	Principal activity	Place of Incorporation	Ownership Interest*
Centurion 1 Limited (1)	Holding company	Scotland	100%
Centurion 2 Limited (1)	Holding company	Scotland	100%
Centurion Group Holdings Limited (1)	Holding company	Scotland	100%
Centurion UK Rentals & Services (formerly Centurion 4 Limited) (1)	Holding company	Scotland	100%
Conserve Rentals & Services Limited (34)	Rental of chemical tanks and cargo carrying units	England and Wales	100%
Rentair Limited (2)	Rental of air compressors and associated equipment	England and Wales	100%
ATR Holdings Limited (1)	Holding company	Scotland	100%
123456 Aberdeen Limited (1)	Equipment rental, sale and services	Scotland	100%
ATR Overseas Limited (1)	Holding company	Scotland	100%
ATR Caspian Limited (3)	Equipment rental, sale and services	Gibraltar	100%
ATR Equipment Solutions (Kazakhstan) LLP (35)	Equipment rental, sale and services	Kazakhstan	100%
Seanic Ocean Systems Limited (1)	Subsea and deck machinery equipment rental and sale	Scotland	100%
ATR Lifting Solutions Limited (1)	Lifting equipment rental, sale and service	Scotland	100%
STH Holdings Limited (1)	Holding company	Scotland	100%
Safety & Technical Hydraulics Limited (1)	Hydraulic tool, bolting and instrumentation rental, sale and service	Scotland	100%
Osprey3 Ltd (1)	Manufacture and rent of fluid filtration equipment	Scotland	100%
Abenco Limited (1)	Holding company	Scotland	100%
Aleron Technology Limited (1)	Holding company	Scotland	100%
Aleron Limited (1)	Subsea and deck machinery equipment rental and sale	Scotland	100%
Rovquip Limited (1)	Inactive	Scotland	100%
Labtech Services Ltd (1)	Accomodation, camps, and technical buildings	Scotland	100%
Labtech Services US LLP (23)	Holding company	USA	100%
Dampier Subsea Corporation (4)	Holding company	USA	100%
Mako Deepwater Inc (5)	Provider of engineered solutions and rental of ROV tooling	USA	100%

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

27. Group information (continued)

Name of subsidiary	Principal activity	Place of Incorporation	Ownership Interest*
Centurion Group Holdings (Australia) Pty Limited (6)	Holding company	Australia	100%
Jacks Winches Australia Pty Limited (6)	Holding company	Australia	100%
Jacks Winches Pty Limited (6)	Rental of winches and associated lifting equipment	Australia	100%
Jacks Winches Hire Asia Pte Limited (7)	Holding company	Singapore	100%
Jacks Winches Pte Ltd (7)	Rental of winches and associated lifting equipment	Singapore	100%
Australasian Fluid Management Pty Limited (8)	Holding company	Australia	100%
AFM Australia Pty Limited (8)	Holding company	Australia	100%
Tristar Water Solutions Pty Limited (9)	Manufacture of water treatment plants and rental of same	Australia	100%
MC Australia Holdings Pty Limited (8)	Rental of temporary accommodation units	Australia	100%
Centurion Group Holdings (Canada) Limited (10)	Holding company	Canada	100%
SITE Energy Services Partnership (11)	Holding company	Canada	100%
SITE Energy Services Limited (11)	Corporate administration for SITE Canada division	Canada	100%
SITE Infrastructure Limited (11)	Payroll company for SITE Canada division	Canada	100%
SITE Management Limited (11)	Payroll company for SITE Canada division	Canada	100%
SITE Equipment Limited (12)	Equipment rental	Canada	100%
Logan River Aggregates Limited (12)	Holder of gravel pit rights	Canada	100%
Bear Access and Environmental Inc (13)	Land clearing, access and environmental contractor services	Canada	100%
SLB (II) Inc (11)	Payroll company for SITE Canada division	Canada	100%
SLB Inc (11)	Payroll company for SITE Canada division	Canada	100%
Centurion Canada Infrastructure Inc (24)	Construction operations	Canada	100%
Force Copps Piling Inc (14)	Pile design and installation	Canada	100%
1844251 Alberta Limited (16)	Holdings company	Canada	100%
Prospector Energy Services Inc (17)	Provider of rig support services	Canada	100%
Waste Treatment Solutions Ltd (16)	Provider of utilities and accommodation	Canada	100%
Arctic Crane Services Inc (18)	Lifting equipment, sale and services	Canada	100%
Waste Treatment Equipment Limited (16)	Equipment rental	Canada	100%
Tango Delta Rentals Inc (17)	Equipment rental	Canada	100%
Polar Septic Services Inc (36)	Provider of utilities solutions	Canada	100%
Centurion Group Holdings (USA) LLC (20)	Holdings company	USA	100%

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

27. Group information (continued)

Name of subsidiary	Principal activity	Place of incorporation	Ownership interest*
Oil Patch Group Inc (20)	Production services, pressure control, accommodation and camps, and fluid management services	USA	100%
Centurion Group (Puerto Rico) LLC (37)	Land clearing, access and environmental contractor services	Puerto Rico	100%
Centurion Group (USA) LLC (20)	Holding Company	USA	100%
Twilight Services Holdings LLC (21)	Holding company	USA	100%
Twilight Services LLC (22)	Provision of rental equipment and production services	USA	100%
G5S Energy Services LLC (21)	Rental of frac stacks	USA	100%
G5S Energy Services Holdings LLC (21)	Holding company	USA	100%
Specialist Services Holdings Ltd (25)	Holding company	British Virgin Islands	100%
Specialist Services Holdings Pte (26)	Provider of engineering, facilities management solutions, and after-sales service teams	Singapore	100%
Specialist Engineering Services Pvt (27)	Provider of engineering, facilities management solutions, and after-sales service teams	India	100%
Specialist Services RedGuard LLC (28)	Sale and lease of modular business units	USA	50%
RGSS Cyprus Limited (29)	Holding company	Cyprus	50%
RGSS Blast Buildings FZE (30)	Sale and lease of blast rated modular buildings	UAE	50%
RGSS Blast Buildings Europe BV (31)	Sale and lease of blast rated modular buildings	Netherlands	50%
OIL Engineering Middle East (32)	Provider of equipment installation and maintenance	UAE	49%
Specialist Services LLC (33)	Provider of manufacturing solutions to various industries	UAE	49%

*Ownership interest comprises the percentage holding of ordinary shares.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2021

27. Group information (continued)

(1) Registered office: c/o Blackwood House, Union Grove Land, Aberdeen, UK, AB10 6XU
(2) Registered office: 20-22 Bedford Row, London, UK, WC1R 4 JS
(3) Registered office: Suite B, Ground Floor, Regal House, Queensway Gibraltar
(4) Registered office: Corporation Trust Centre, 1209 Orange Street, Wilmington, Delaware 19801, USA
(5) Registered office: 7941 Katy Freeway, Suite 291, Houston, Texas 77024, USA
(6) Registered office: 47 Dowd Street, Welshpool, Western Australia 6009, Australia
(7) Registered office: 80 Robinson Road #02-00, Singapore 068898
(8) Registered office: 31 Carrington Street, Nedlands, Perth, Western Australia 6009, Australia
(9) Registered office: 56 Peel Road, O'Connor, Perth, Western Australia 6163, Australia
(10) Registered office: Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2XB, Canada
(11) Registered office: #170, 120 Pembina Road, Sherwood Park, Alberta, T8H 0M2, Canada
(12) Registered office: PO Box 210, Cold Lake, Alberta, T9M 1P1, Canada
(13) Registered office: PO Box 7610, Bonnyille, Alberta, T9N 2H9, Canada
(14) Registered office: PO Box 585 Red Deer, Alberta, T4N 5G1, Canada
(15) Registered office: 501 Phair Street, Box 340, Carnduff, SK, SOC 0S0
(16) Registered office: Box 1756, Nanton, Alberta, T0L 1R0, Canada
(17) Registered office: 2504, 19th Avenue Nanton, AB T09 1R0
(17) Registered office: Box 179, Bezanson, Alberta, T0H 0G0, Canada
(18) Registered office: 14915 – 89th Street, Grand Prairie, Alberta, T8X 0J2, Canada
(19) Registered office: Box 179, Bezanson, Alberta, T0H 0G0, Canada
(20) Registered office: Corporation Trust Centre, 1209 Orange Street, Wilmington, Delaware 19801, USA
(21) Registered office: 600 Travis Street, STE 660, Houston, Texas 77002, USA
(22) Registered office: 6401 Old Granbury Road, Granbury, Texas 76049, USA
(23) Registered office: 1209 Orange Street, Wilmington, DE, 19801, USA
(24) Registered office: PO Box 210, Cold Lake, AB T9M 1P1, Canada
(25) Registered office: Palm Grove House, PO Box 438 Road Town, Tortola, British Virgin Islands
(26) Registered office: 25 Loyang Crescent, 04 - 05508988 Singapore
(27) Registered office: Unit No-765, Tower B1, Spaze Iteck Park, Sohna Road, Sector 49, Gurgaon, India, 122001
(28) Registered office: 1209 Orange Street, Wilmington, County of New Castle 19801, Delaware, USA
(29) Registered office: Athinon & Anexartisias, Nora Court, 3rd floor, Office 301, Limassol, 3040, Cyprus
(30) Registered office: SM-Office, C1 - 101 8F, Ajman Free Zone, Ajman, UAE
(31) Registered office: Albert Plesmanweg 41 G, 3088GB Rotterdam, Netherlands
(32) Registered office: Mussafah M40-S6, Office 24, Abu Dhabi, UAE
(33) Registered office: P O Box.2752, Al Quoz Industrial Estate, Dubai, UAE
(34) Registered office: Suite 1, 3rd Floor 11-12 St. James's Square, London, England, SW1Y 4LB
(35) Registered office: Republic of Kazakhstan, Mangistau region, 130000, Aktau city, Industrial zone 6, site 38
(36) Registered office: Box 1756, Nanton, Alberta, T0L 1R0
(37) Registered office: CT Corporation System, 361 San Francisco Street, 4th Floor, Puerto Rico 00901

The parent company of Centurion 3 Limited is Centurion Group Limited a company incorporated and registered in the Cayman Islands (Registered office: c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, the Cayman Islands). The majority of the equity of Centurion Group Limited is owned by SCF VIII AIV LP and SCF VII AIV LP, Cayman Islands limited partnerships, which in turn are considered to be controlled by its general partner, LE Simmons & Associates Inc, a Delaware corporation whose controlling party is its president, L E Simmons.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

28. Related party balances and transactions

Balances and transactions between the company and its wholly owned subsidiaries have been eliminated on consolidation and are not disclosed below.

Related party balance

	Group 2021 $000	Group 2020 $000
Amount due from parent company	1,175	1,015
Total	**1,175**	1,015

	Company 2021 $000	Company 2020 $000
Amounts due to subsidiaries	2,576	2,989
Total	**2,576**	2,989

Related party balances are interest free and do not have set repayment terms.

During the year $49k (2020: $16k) was charged by SCF Partners to the Group in relation to management services provided by SCF personnel and for travel expenses. The amount outstanding at the year-end was $nil (2020: $nil).

Compensation of key management personnel

Key management personnel comprise the Group Chief Executive Officer, Group Chief Financial Officer and Divisional Chief Executive Officers. The remuneration of directors and other members of key management personnel during the year was as follows:

	2021 $000	2020 $000
Short term benefits	3,132	2,193
Post-retirement benefits	37	20
Share based payments	1,191	841
	4,360	3,054

The remuneration of the key management personnel is determined by the Board.

Directors' remuneration

Emoluments:	2021 $000	2020 $000
Amounts receivable (other than shares and share options)	823	508
Company contributions to defined contribution pension schemes	12	10
	835	518

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

28. Related party balances and transactions (continued)

The number of directors who:	2021 Number	2020 Number
Are members of a defined contribution pension scheme	**2**	2
Had awards receivable in the form of shares in the parent company under a long-term incentive scheme	**2**	2

Remuneration of the highest paid director:	2021 $000	2020 $000
Emoluments	**593**	330
Company contributions to money purchase schemes	**3**	2

Other related party transactions

During the year ended 31 December 2021, Group companies made the following transactions with entities owned by members of the Group's key management personnel:

				Amounts due (to)/from	
Related Party	**Description**	**2021 $000**	2020 $000	**2021 $000**	2020 $000
Side Services	Services	**(54)**	-	**(4)**	-
2324166 Alberta Ltd	Rent	**(166)**	-	**-**	-
1365597 Alberta Ltd	Rent	**(78)**	(130)	**(8)**	(4)
Roustabout Ventures	Purchases	**-**	(12)	**-**	-
1375077 Alberta Ltd	Purchases	**(19)**	(18)	**-**	(1)
BTSC Investments Inc	Rent	**(198)**	(152)	**-**	-
TCC Properties Ltd	Rent	**-**	(193)	**-**	-

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

29. Commitments and contingencies

Capital commitments

	2021 $000	2020 $000
At 31 December	**195**	334

Contingent liabilities

At 31 December 2021, the Group's contingent liabilities, comprising guarantees arising in the normal course of business, amounted to $5,955k (2020: $392k).

The Company has issued a parental company guarantee under s479C of the Companies Act 2006, guaranteeing the liabilities of the following entities at 31 December 2021. The subsidiaries have the following third-party liabilities:

	2021 $000	2020 $000
Centurion 1 Limited	**7**	-
Centurion 2 Limited	**99,442**	80,586
Centurion Rentals & Services UK Limited	**-**	-
Centurion Group Holdings Limited	**1,148**	1,450
123456 Aberdeen Limited	**110**	4,934
ATR Overseas Limited	**-**	-
STH Holdings Limited	**797**	-
ATR Holdings Limited	**79**	70
Abenco Ltd	**19**	30
Osprey3 Ltd	**520**	2,565
Aleron Technology Limited	**-**	-
Aleron Limited	**1,696**	-
Rovquip Limited	**-**	-
	103,818	89,635

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

30. Cash generated from operations

Group

	2021 $000	2020 $000
Profit/ (Loss) for the year	**6,178**	(34,813)
Adjustments for:		
- Income tax credit	**6,814**	(188)
- Finance expenses	**11,960**	11,752
- Other gains and losses	**617**	137
- Share of profit from joint ventures	**(662)**	
- Finance income	**(2)**	(160)
- Depreciation of property, plant and equipment	**37,296**	40,512
- Depreciation of right of use assets	**10,348**	9,295
- Amortisation of intangible assets	**7,293**	6,479
- Exceptional and adjusting items	**(3,300)**	24,914
- Gain on disposal of property, plant and equipment	**(5,592)**	(3,700)
- Gain on derecognition of lease liabilities and right of use assets	**(11)**	(79)
- Cash impacting exceptional and adjusting items	**4,712**	(3,690)
- Unrealised foreign exchange on working capital	**379**	572
	76,030	51,031
Operating cash flows before working capital movements:		
(Increase)/ decrease in inventories	**(1,555)**	259
(Increase)/ decrease in trade and other receivables	**(22,189)**	31,844
Increase/ (decrease) in trade and other payables	**31,000**	(22,630)
Cash generated from operations	**83,286**	60,504

In the consolidated statement of cash flows, proceeds from sale of property, plant and equipment reconcile to the gain on disposal of property, plant and equipment as follows:

	2021 $000	2020 $000
Net book value of disposals	**6,612**	7,538
Gain on disposal of property, plant and equipment	**5,592**	3,700
Proceeds from disposal of property, plant and equipment	**12,204**	11,238

	2021 $000	2020 $000
Net book value of right of use asset disposals	**430**	1,385
Gain on derecognition of lease liabilities and right of use assets	**11**	79
Lease liability derecognised	**441**	1,464

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

31. Financial instruments

Capital management

For the purposes of the Group's capital management, capital includes share capital and all other reserves. The primary objectives of the Group's approach to capital management is to ensure appropriate resources to continue trading as a going concern and to maximise shareholder value.

The Group monitors a number of measures on a rolling 12-month basis including interest cover, cash cover and the ratio of net debt to Adjusted EBITDA. These internal measures are monitored for compliance with banking facilities and to allow management to plan appropriate facilities.

The Group's financial instruments are classified as follows:

	2021 $000 Carrying value	2020 $000 Carrying value
Financial assets		
Loans and receivables held at amortised cost		
- Trade and other receivables	**88,910**	73,785
- Amount due from parent company	**1,175**	1,015
- Cash and bank balances	**17,675**	6,995
Financial liabilities		
Financial liabilities held at amortised cost		
- Bank borrowings	**162,713**	141,294
- Exchangeable shares	**27,337**	25,535
- Lease liabilities	**42,974**	44,756
- Trade and other payables	**91,070**	46,822

Except as detailed below the carrying amounts of the financial assets and liabilities recorded at amortised cost and approximate to their fair values.

Changes in liabilities arising from financing activities

2021	At 1 January 2021 $000	Financing cash flows $000	Other $000	**At 31 December 2021 $000**
Bank borrowings & unamortised issue costs	136,603	17,988	2,999	**157,590**
Lease liabilities	44,756	(9,902)	8,120	**42,974**
Exchangeable shares	25,535	-	1,802	**27,337**
Total liabilities from financing activities	206,894	8,086	12,921	**227,901**

2020	At 1 January 2020 $000	Financing cash flows $000	Other $000	At 31 December 2020 $000
Bank borrowings & unamortised issue costs	182,122	(47,982)	2,463	136,603
Loan notes	1,152	(1,118)	(34)	-
Lease liabilities	45,123	(9,187)	8,820	44,756
Exchangeable shares	25,535	-	-	25,535
Total liabilities from financing activities	253,932	(58,287)	11,249	206,894

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

31. Financial instruments (continued)

Capital management (continued)

The Group's activities give rise to a variety of financial risks: cash flow risks (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the Group's finance personnel who identify, evaluate and manage financial risks as considered appropriate.

Cash flow risk

Cash flow risk is the risk that the fair value of future cash flows of a financial instrument fluctuate because of changes in market prices. The risk primary comprises; currency and interest rate risk.

Foreign currency exchange risk

The Group is exposed to foreign exchange risk arising from various currencies.

The Group's main foreign exchange risk relates to movements in the United States Dollar/UK Sterling, UK Sterling/Australian Dollar, Singapore Dollar/United States Dollar, United States Dollar/Canadian Dollar, and United States Dollar/ United Arab Emirates Dirham exchange rates. The following table demonstrates the impact on the Group's loss before tax of a reasonable possible change in the United States Dollar/UK Sterling, United States Dollar/Canadian Dollar, UK Sterling/Australian Dollar, Singapore Dollar/United States Dollar, United States Dollar/Canadian Dollar exchange rates, and United States Dollar/ United Arab Emirates Dirham, with all other variables held constant:

Increase/(decrease) in loss before tax	**2021 $000**	2020 $000
Change in United State Dollar rate against UK Sterling		
+10%	**(901)**	(197)
-10%	**1,101**	241
Change in United State Dollar rate against Australian Dollar		
+10%	**434**	240
-10%	**(531)**	(294)
Change in Singapore Dollar against United States Dollar		
+10%	**232**	(107)
-10%	**(283)**	131
Change in United State Dollar against Canadian Dollar		
+10%	**1,951**	440
-10%	**(2,384)**	(538)
Change in United State Dollar against United Arab Emirate Dirham		
+10%	**293**	-
-10%	**(358)**	-

Interest rate risk

The Group finances activities through long-term and short-term funding facilities. The Group borrows in desired currencies at floating rates of interest. At 31 December 2021, no interest rate swap instruments were in place.

The following table demonstrates sensitivity to a reasonable possible change in interest rates on that portion of the borrowings affected. With all other variables held constant, the Group's profit/(loss) before tax is affected through the impact on floating rate borrowings as follows:

Decrease/(increase) in profit/(loss) before tax	**2021 $000**	2020 $000
Increase/decrease in basis points (bps)		
+25 bps	**380**	409
-25 bps	**(380)**	(409)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

31. Financial instruments (continued)

Credit risk management

The table above details the Group's maximum exposure to credit risk and the measurement bases used to determine expected credit losses. Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's credit risk primarily relates to its trade and other receivables and cash and bank balances. Responsibility for managing credit on receivables lies within each operating business with support being provided by Group management.

A customer evaluation is typically obtained from an appropriate credit rating agency. If deemed to be required, appropriate trade finance instruments, such as letters of credit, or payment prior to delivery, will be used to manage credit risk.

The Group's major customers are typically larger companies which have credit ratings assigned by international credit rating agencies. The five largest trade receivables balance by client at 31 December was as follows:

	2021	2020
	$000	$000
Client A	**8,790**	3,918
Client B	**N/A**	3,009
Client C	**N/A**	2,456
Client D	**N/A**	2,327
Client E	**N/A**	1,775
Client F	**4,223**	N/A
Client G	**2,786**	N/A
Client H	**2,080**	N/A
Client I	**1,828**	N/A

Management review trade and other receivables across the Group including receivable days' calculations to monitor exposure. There is significant management focus on receivables that are overdue. Receivable days calculations are not provided on non-trade receivables as management do not believe that this information is a relevant metric.

The credit risk on liquid funds is considered limited because the counterparties are banks with credit-ratings assigned by international credit-rating agencies. The maximum exposure to credit related loss of financial assets is the aggregate of their carrying values as summarised on page 65.

Liquidity risk

With regard to liquidity, the Group's priority is to ensure continuity of funding. The Group uses a mix of long and short term finance and prepare cash flow projections, to estimate requirements and monitor ongoing and projected compliance with banking covenants. The Group is forecasting to have adequate facilities available.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

31. Financial instruments (continued)

Maturity

The following table details the Group's expected maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities excluding interest that will be payable on those liabilities. The inclusion of information on non-derivative financial liabilities is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

			Group	
	Less than 1 year $000	1 to 5 years $000	Greater than 5 years $000	Total $000
31 December 2021				
Bank borrowings	**21,296**	**81,909**	**-**	**103,205**
Revolving credit facility	**59,508**	**-**	**-**	**59,508**
Exchangeable shares	**27,337**	**-**	**-**	**27,337**
Lease liabilities	**9,736**	**17,640**	**15,598**	**42,974**
Trade and other payables	**91,070**	**-**	**-**	**91,070**
Total	**208,947**	**99,549**	**15,598**	**324,094**
31 December 2020				
Bank borrowings	18,521	89,755	-	108,276
Revolving credit facility	33,018	-	-	33,018
Exchangeable shares	25,535	-	-	25,535
Lease liabilities	7,986	18,650	18,120	44,756
Trade and other payables	46,822	-	-	46,822
Total	131,882	108,405	18,120	258,407

The Group has access to a working capital facility as described above of which $129.4m was unused at the end of the reporting period (2020: $106.3m) and cash and bank balances of $17.7m (2020: $7.0m). The Group expects to meet its obligations from operating cash flows and the proceeds of maturing financial assets, without the need to utilise the working capital facility further.

The maximum amount the Group could be forced to settle under the financial guarantee contracts if the fully guaranteed amount is claimed by the counterparties to the guarantees is $512k (2020: $267k). Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amounts will be payable under these contracts.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

32. Events after the balance sheet date

The group has successfully completed three acquisitions since 31 December 2021. These acquisitions are summarized in the table below:

Company name	Completion date
Canlift Crane Holdings Limited	20 January 2022
RMEC Group Limited	31 March 2022
Trido Industries Inc. and Trido Energy Services Inc.	6 April 2022

Control of all acquisition targets transferred to the Group on successful completion of the acquisitions.

On 27 February 2022, a conflict broke out between Russia and Ukraine. Following this, numerous governments around the world have implemented sanctions against Russia and Belarus. Given the location of the Group's operations, historically there has been limited direct or indirect trading with Russia or Ukraine. As a result, the Group does not consider there to be any impact from this conflict on its operations or finances.