

Company Registration No. SC122818 (Scotland)

ATR Lifting Solutions Limited
Annual Report and Financial Statements
For the year ended 31 December 2017

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ATR Lifting Solutions Limited

Contents

	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	4
Directors' responsibilities statement	6
Independent auditor's report	7
Statement of comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Notes to the financial statements	13

ATR Lifting Solutions Limited

Report and financial statements 2017

Officers and professional advisers

Directors

Mr K Moorhouse
Mr E Leask

Secretary

Blackwood Partners LLP

Registered Office

Blackwood House
Union Grove Lane
Aberdeen
AB10 6XU

Solicitor

Blackwood Partners LLP
Blackwood House
Union Grove Lane
Aberdeen
AB10 6XU

Auditor

Deloitte LLP
Statutory Auditor
Union Plaza
1 Union Wynd
Aberdeen
AB10 1SL

ATR Lifting Solutions Limited

Strategic report

Principal activities

The principal activities of the company comprise the sale, rental, repair and inspection of lifting equipment and the manufacturing and report of slings (wire rope, chain and webbing) to the offshore oil and gas industry.

Business review

Conditions in the oil and gas markets in 2017 continued to be challenging as a result of low oil and gas commodity prices.

As a result, during 2017, the directors and shareholders of the ultimate parent company, Centurion Group Limited ("the Group"), carried out a review of the strategic options available to the Group, including a review of potential oilfield services companies to merge with, in order to generate additional economies of scale, cost and revenue synergies and better position the business for market recovery.

The Group combined with SITE and WTS Rentals on 29 December 2017 and with Oil Patch Group Inc ("Oil Patch") on 3 January 2018. Each of the companies were majority controlled by the common shareholders SCF VIII AIV LP and SCF VII AIV LP, which in turn is considered to be controlled by its general partner, LE Simmons & Associates Inc, a Delaware corporation. The transaction was completed through issuance of shares by Centurion Group Limited, the ultimate parent company.

SITE based in Alberta, Canada, provides infrastructure services to the energy industry. WTS Rentals based in Alberta, Canada and Oil Patch based in Texas, USA, provide rental equipment to the energy industry. The businesses are complementary, and the combination provides increased opportunities for each individual business to grow.

In conjunction with the transactions, a revised bank facility was agreed on 29 December 2017 with a consortium of banks comprising all of the Group's existing bankers, Wells Fargo Bank NA, HSBC plc, Clydesdale Bank plc, ATB Financial, Amegy Bank National Association, Iberia Bank Corporation and the pre-conditions associated with the facilities including the completion of the Oil Patch transaction were satisfied at the beginning of January 2018. The facility was drawn down on 5 January 2018. The revised facilities are required to be repaid over a longer term and provide the Group with additional headroom and working capital facilities. The enlarged Group's new bank facility of \$223m is secured over the assets of the Group's trading entities and share pledges of certain subsidiary companies.

The Company's key performance indicators are considered to be revenue, gross margin and earnings before interest tax depreciation and amortisation (EBITDA). These KPI's are monitored and tracked to budget and renewed monthly. These measures are influenced by commodity prices (oil, gas and minerals); global oil and gas exploration and development and operational spending.

The Company's revenue for the period ending 31 December 2017 decreased to £12,806k (14 month period ended 31 December 2016: £15,787k). Gross Margin decreased from £3,181k to £2,759k with Gross Profit percentage increasing to 21% from 20%. EBITDA, prior to exceptional and adjusting items, increased from (£502)k to £413k.

As at 31 December 2017 the company has net liabilities of £2,899k (31 December 2016: £1,488k).

Given the difficult market conditions we are satisfied with progress in the year.

The directors do not recommend a final dividend (31 December 2016 - £nil).

Principal risks and uncertainties

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

ATR Lifting Solutions Limited

Strategic report (continued)

Operational risks

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

- Health, safety & 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 Company has an uncompromising commitment to health, safety and welfare.
- Operational contracting risks arise from the nature of agreements with some customers. 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.

Commodity price volatility

Reduction in the price of oil and gas impacts the willingness of companies to invest, which in turn impacts the level of activity by our customers and potential customers. Prices of oil and natural gas 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 Company's financial risks are discussed in the Directors' Report on page 4.

Going Concern

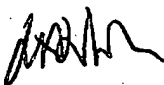
The Company has net current liabilities of £3.6 million at 31 December 2017 and the directors have received confirmation of continuing support from an intermediate parent company, Centurion 3 Limited. The Company is party to Group borrowing facilities. In conjunction with the combination with SITE, WTS Rentals and Oil Patch, revised banking facilities, as discussed above, were put in place that extend the repayment profile and increase available of working capital facilities. The bank facilities are subject to compliance with certain covenants. Having considered the financial position and outlook, the directors have developed a reasonable expectation that the Group has adequate resources to continue to operational existence for the foreseeable future.

The directors therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Outlook and future developments

The directors continue to monitor the challenging market conditions and believe the Company is well placed to benefit from market opportunities.

Approved by the Board on 9 October 2018 and signed on its behalf by:



Mr E Leask
Director

ATR Lifting Solutions Limited

Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2017.

Directors

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

Mr K Moorhouse

Mr E Leask

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its' directors which were made during the period and remain in force at the date of this report.

Charitable and political donations

There were no charitable or political donations during the current year or prior period.

Going concern

Details of events after the balance sheet date and going concern can be found in the Strategic Report on page 2.

Corporate governance

The Company strives to maintain the highest standards in corporate governance and bases its actions on the principles of openness, integrity and accountability.

Financial risk management policies and objectives

The Company's activities expose it to a number of financial risks including credit and liquidity risk. The Company does not use derivatives to manage its' financial risk or for speculative purposes. The financial risk management policies operate at a Group level.

Credit risk

The Company's principal financial assets are trade receivables, amounts due from group undertakings, 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 financial position of group undertakings is monitored at a Group level. The credit risk on liquid funds is considered limited with the counterparty being a bank 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 Company monitors the timing of expected cash flows. The Company's primary source of finance is cash generated from operations. The Company also has access to intra group funding.

ATR Lifting Solutions Limited

Directors' report (continued)

Auditor

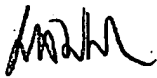
Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware;
- (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 LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board on 9 October 2018 and signed on its behalf by:



Mr E Leask
Director

ATR Lifting Solutions Limited

Directors' responsibilities statement

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 have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

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

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 ATR Lifting Solutions Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of ATR Lifting Solutions Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 21

The financial reporting framework that has been applied in their preparation 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 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of ATR Lifting Solutions Limited (continued)

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities 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.

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 company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Independent auditor's report to the members of ATR Lifting Solutions Limited (continued)

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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.

L Cowie

Lyn Cowie (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Aberdeen, United Kingdom

10 October 2018

ATR Lifting Solutions Limited

Statement of comprehensive income For the year ended 31 December 2017

	Note	Year to 31 December 2017 £000	14 month period to 31 December 2016 £000
Revenue	4	12,806	15,787
Cost of sales	5	(10,047)	(12,606)
Gross profit		2,759	3,181
Administrative expenses	5	(3,162)	(4,724)
Recurring		(3,022)	(4,614)
Exceptional and adjusting items	6	(140)	(110)
Operating loss	5	(403)	(1,543)
Interest payable and similar charges		-	-
Interest receivable		-	-
Loss before taxation		(403)	(1,543)
Tax charge	8	(1,008)	6
Loss for the year/period		(1,411)	(1,537)
Other comprehensive income		-	-
Total comprehensive loss for the year/period		(1,411)	(1,537)

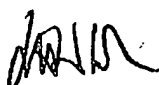
All results are from continuing operations.

ATR Lifting Solutions Limited

Statement of financial position As at 31 December 2017

	Note	31 December 2017 £000	31 December 2016 £000
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,012	1,661
Total non-current assets		1,012	1,661
CURRENT ASSETS			
Stocks	10	1,099	1,216
Trade and other receivables	11	1,927	2,485
Amounts due from group companies		812	2,992
Cash at bank and in hand		208	251
Deferred tax asset	8.2	-	1,008
Corporation tax receivable		10	7
Total current assets		4,056	7,959
Total assets		5,068	9,620
CURRENT LIABILITIES			
Trade and other payables	12	(2,405)	(1,970)
Amount due to group companies		(5,225)	(8,801)
Total current liabilities		7,630	10,771
Net current liabilities		(3,574)	(2,812)
Total assets less current liabilities		(2,562)	(1,151)
NON-CURRENT LIABILITIES			
Provisions	13	(337)	(337)
Net liabilities		(2,899)	(1,488)
EQUITY			
Called-up share capital	15	105	105
Capital redemption reserve	16	104	104
Accumulated losses		(3,108)	(1,697)
Shareholders' deficit		(2,899)	(1,488)

The financial statements of ATR Lifting Solutions Limited (registered number SC122818 (Scotland)) were approved by the board of directors on 9 October 2018 and signed on its behalf by:



Mr E Leask
Director

ATR Lifting Solutions Limited

Statement of changes in equity As at 31 December 2017

	Called-up share capital £000	Capital redemption reserve £000	Accumulated losses £000	Total £000
Balance at 1 November 2015	105	104	(160)	49
Loss and total comprehensive loss for the period	-	-	(1,537)	(1,537)
Balance at 31 December 2016	105	104	(1,697)	(1,488)
Loss and total comprehensive loss for the year	-	-	(1,411)	(1,411)
Balance at 31 December 2017	105	104	(3,108)	(2,899)

ATR Lifting Solutions Limited

Notes to the financial statements **For the year ended 31 December 2017**

1. General information

ATR Lifting Solutions Limited (the Company) is a private company limited by shares incorporated in Scotland, United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1.

The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

2. Significant accounting policies

The principal accounting policies are set out below and have been applied consistently for in the current year and previous period.

2.1 Basis of preparation

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 were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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, impairment of assets and related party.

Where relevant, equivalent disclosures have been given in the group accounts of Centurion 3 Limited, a company registered in Scotland. The group accounts of Centurion 3 Limited are available to the public and can be obtained as set out in note 21.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

2.2 Going Concern

The Company has net current liabilities of £3.6 million at 31 December 2017. The directors have received confirmation of continuing support from an intermediate parent company, Centurion 3 Limited, to allow it to settle debts as they fall due. The Company is party to Group borrowing facilities. The borrowing facilities are subject to certain covenants. Having considered the financial outlook, the directors have developed a reasonable expectation that the Group (and the Company as part of the Group) has adequate resources to continue in operational existence for the foreseeable future.

The directors therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

ATR Lifting Solutions Limited

Notes to the financial statements

For the year ended 31 December 2017

2.3 Adoption of new and revised standards

New or amended International Financial Reporting Standards (IFRSs) and interpretations have been adopted by the Company for the financial year beginning 1 January 2017 with no effect on the current or prior period financial statements.

2.3.1 Initial adoption of IFRS 15 Revenue from Contracts with Customers

The standard has an effective date of 1 January 2018, but the Company has decided to early adopt this standard with a date of initial application to the Company of 1 January 2016 using the full retrospective method.

The primary impact of application is the revision of accounting policies to reflect revenue recognition required by IFRS 15. There is no effect on the prior period amounts recognised in the financial statements.

2.3.2 Initial adoption of IFRS 9 Financial Instruments

The standard has an effective date of 1 January 2018, but the Company has decided to early adopt this standard with a date of initial application to the Company of 1 January 2016 and 1 December 2016 using the full retrospective method.

IFRS 9 replaced IAS 39 Financial Instruments Recognition and Measurement (IAS 39). There is no material effect on the prior period financial statements as a result of the adoption of this standard.

2.3.3 New standards and interpretations not applied

As of 31 December 2017, the following standards and interpretations were in issue but not effective for accounting periods commencing on 1 January 2017:

- IFRS 16 Leases (effective 1 January 2019)
- Classification and Measurement of Share-based Payment Transactions (amendments to IFRS 2) effective from 1 January 2018
- Annual Improvements to IFRSs 2014-2016 Cycle effective from 1 January 2018
- IFRIC 22 Foreign Currency Transactions and Advance Consideration effective from 1 January 2018

IFRS 16 Leases was issued in January 2016 and will have a significant impact on the Company's financial statements, as all leases will be recognised on the balance sheet (with the exception of short-term and low value leases).

An initial impact analysis on the Company's results has been carried out, with implementation work continuing. Based on the work undertaken to date, the Company will elect to apply the standard retrospectively on a modified basis, therefore the cumulative effect of initial application will be recognised in opening retained earnings at the date of application.

IFRS 16 will have a material impact on the reported assets, liabilities and income statement. Based on the current profile of the Company's non-exempt operating leases, in the first year of application the net impact on the profit and loss is expected to be a decrease to profit of £194k. Information on the Company's leases currently classified as operating leases, which are not recognised on the balance sheet, is presented in note 18 and provides an indication of the magnitude of assets and liabilities that will be recognised on the balance sheet from 2019.

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

ATR Lifting Solutions Limited

Notes to the financial statements

For the year ended 31 December 2017

2.4 Revenue

2.4.1 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.

2.4.2 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.

2.4.3 Revenue from sale of equipment

Revenue from the sale of equipment is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the equipment
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the equipment sold;
- 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.

2.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Finance lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.6 Foreign currencies

2.6.1 Functional and presentation currency

For the purpose of the Financial Statements, the results and financial position of the Company are expressed in Pounds Sterling ('£'), which is the functional currency of the Company and the presentation currency for the financial statements.

ATR Lifting Solutions Limited

Notes to the financial statements

For the year ended 31 December 2017

2.6.2 Transaction and balances

In preparing the financial statements 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.

2.7 Retirement benefit costs

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

2.8 Taxation

2.8.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the result as reported in the consolidated 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 Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.8.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company Financial Statements 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.

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 Company 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 Company intends to settle its current tax assets and liabilities on a net basis.

ATR Lifting Solutions Limited

Notes to the financial statements **For the year ended 31 December 2017**

2.8.3 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.

2.9 Property, plant and equipment

Fixed assets are stated at cost less accumulated depreciation and impairment losses. 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 12 years
Other plant and equipment	3 to 8 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

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.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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.

2.12 Financial assets

2.12.1 Classification

Financial assets are classified into the following specified categories: financial assets at 'fair value through profit or loss' (FVTPL) and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company does not currently hold any 'held to maturity' or 'available for sale' financial assets.

ATR Lifting Solutions Limited

Notes to the financial statements

For the year ended 31 December 2017

2.12.2 Recognition and measurement

FVTPL

Financial assets at FVTPL are initially measured at fair value and transaction costs are expensed to the income statement. Gains or losses arising from subsequent changes in the fair value of financial assets at FVTPL are presented in the income statement within "other (losses) / gains net" in the period in which they arise.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate.

2.13 Financial liabilities and equity instruments

2.13.1 Classification of debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

2.13.2 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 Company are recognised as the proceeds received, net of direct issue costs.

2.13.3 Financial liabilities

Financial liabilities are classified as either trade and other payables or borrowings or other financial liabilities.

2.13.4 Other Financial liabilities measured at amortised cost

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. This category of financial liabilities includes trade and other payables and finance debt.

2.13.5 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

2.14 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.

2.15 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 Company's underlying performance, within their relevant income statement category and are explained in the notes to the financial statements.

ATR Lifting Solutions Limited

Notes to the financial statements **For the year ended 31 December 2017**

2.16 Impairment

2.16.1 Tangible assets

During each reporting period the carrying amounts of tangible assets 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.

2.16.2 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.

2.16.3 Subsequent reversal of impairment

Where an impairment loss for tangible 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.

ATR Lifting Solutions Limited

Notes to the financial statements

For the year ended 31 December 2017

3. Key sources of estimation uncertainty and critical judgments

In the application of the Company's 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

3.1.1 Useful lives of hire fleet

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of assets was reasonable.

3.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other 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 property, plant and equipment

Determining whether property, plant and equipment is impaired requires identification of indicators of impairment and an assessment of recoverable amount. Management have performed an impairment review at 31 December 2017 and determined that the recoverable amount of property, plant and equipment exceeds its carrying value of £1,012k (31 December 2016: £1,661k) per note 9, after impairment adjustments of £141k (2016: £nil) have been recognised.

3.2.2 Provision for slow moving and obsolete inventory

Judgment is required to determine the level of provision required for slow moving and obsolete inventory. Management assess the need for provision based on their knowledge of the business and expected activity levels. A provision of £51k (2016: £nil) has been made against slow moving and obsolete inventory.

3.2.3 Provision for doubtful debts

The need for provision for bad debts is assessed based on the age of receivables, counterparty credit quality and other factors which may indicate the debt is not recoverable. Judgment is required to assess an appropriate level of provision. At 31 December 2017 the provision for doubtful debt amounts to £23k (31 December 2016: £250k). The company has calculated a bad debt provision using an expected credit loss model under the requirements of IFRS 9. The period of default is deemed to be greater than 365 days.

3.2.4 Recoverability of deferred tax asset

Judgement is required in assessing the recoverability of deferred tax assets. The projected financial performance of the Company has been considered in determining the likelihood of recovery of the asset in the foreseeable future. A deferred tax asset of £nil (31 December 2016: £1,008k) is recognised as at 31 December at 2017. A deferred tax asset of £2,300k (2016: £1,454k) has not been recognised.

ATR Lifting Solutions Limited

Notes to the financial statements For the year ended 31 December 2017

4. Revenue

Analysis by category

	Year to 31 December 2017 £000	14 month period to 31 December 2016 £000
Hire of equipment	4,219	4,817
Sale of goods	6,169	8,249
Labour & Inspection	2,395	2,678
Other	23	43
	12,806	15,787

Analysis by geography

	Year to 31 December 2017 £000	14 month period to 31 December 2016 £000
United Kingdom	12,665	15,266
Other	141	521
	12,806	15,787

5. Operating loss for the year/period

Profit from operating activities is stated after charging:

	Note	Year to 31 December 2017 £000	14 month period to 31 December 2016 £000
Employee benefit expense	7	3,361	4,199
Depreciation of property, plant and equipment	9	676	931
Operating lease expense		74	778
Inventory expense		774	7,514
Foreign exchange loss			
- Realised		36	87
Profit on disposal of property, plant and equipment		55	70
Auditors' remuneration			
- Audit		22	14

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the financial statements of the parent Company are required to disclose such fees on a consolidated basis.

ATR Lifting Solutions Limited

Notes to the financial statements For the year ended 31 December 2017

6. Exceptional and adjusting items

Exceptional and adjusting items comprise the following:

	Year to 31 December 2017 £000	14 month period to December 2016 £000
Restructuring costs	-	110
Production	140	-
Total	140	110

An impairment in tangible assets of £140k (2016: £nil) was identified due to low utilisation of hire fleet. The assessment, which was performed at an individual asset basis, resulted in a full impairment of those assets with zero utilisation in the year and up to the date of approval of these financial statements. The impairment is material and separate presentation is considered appropriate.

7. Employees

Number of employees

The average monthly number of employees during the period was:

	Year to 31 December 2017 No.	14 month period to December 2016 No.
Administration	20	24
Production	86	86
	106	110

Employment costs

	Year to 31 December 2017 £000	14 month period to December 2016 £000
Wages and salaries	3,003	3,661
Social security costs	293	452
Other pension costs	65	86
	3,361	4,199

The directors did not receive any remuneration from the Company for their services to this company. The remuneration of directors is borne by another group company.

ATR Lifting Solutions Limited

Notes to the financial statements For the year ended 31 December 2017

8. Taxation

	Year to 31 December 2017 £000	14 month period to 31 December 2016 £000
8.1 Tax charge/(credit)		
Current tax		
UK corporation tax	-	(6)
Deferred tax	1,008	-
Total current tax	1,008	(6)
Factors affecting the tax charge/(credit) for the year/period		
Loss before taxation	(403)	(1,542)
Loss before taxation multiplied by standard rate of UK corporation tax of 19.25% (2016 – 20 %)	(77)	(308)
Effects of:		
Non-taxable income	-	6
Non-deductible income	-	(118)
Other timing differences	-	26
Unrecognised deferred tax asset	68	400
Adjustments recognised in the current year in respect of prior year tax	1,008	-
Effect of changes in Tax Rates	9	-
Current tax charge for the year	1,008	(6)

UK corporation tax is calculated at 19.25% (2016 – 20%) of the estimated taxable profit for the year/period.

Changes to the main rate of corporation tax were announced in Finance (No.2) Act 2015. These comprised a reduction in the main rate of corporation tax for the financial year beginning 1 April 2018 from 20% to 19% and a further reduction for the financial year beginning 1 April 2020 from 19% to 18%.

Deferred tax has been calculated at 17%, the rate which was substantially enacted at the balance sheet date.

8.2 Deferred tax asset

The deferred tax asset is made up as follows:

	Year to 31 December 2017 £000	14 month period to 31 December 2016 £000
Losses available for relief	-	784
Other timing differences	-	224
	-	1,008

A deferred tax asset arising from losses of £2,300k (2016: £1,454k) is not recognised on the basis that the recovery is dependent on future profitability and hence uncertain. The tax losses may be carried forward indefinitely.

ATR Lifting Solutions Limited

Notes to the financial statements For the year ended 31 December 2017

9. Property, plant and equipment

	Hire Fleet £000	Leasehold land and buildings £000	Plant & Machinery £000	Total £000
Cost				
At 1 January 2017	8,324	429	2,357	11,110
Additions	187	-	18	205
Disposals	(416)	-	-	(416)
At 31 December 2017	8,095	429	2,375	10,899
Depreciation				
At 1 January 2017	7,177	196	2,076	9,449
On disposals	(379)	-	-	(379)
Charge for the year	528	53	95	676
Impairment charge	141	-	-	141
At 31 December 2017	7,467	249	2,171	9,887
Net book value				
At 31 December 2017	628	180	204	1,012
At 31 December 2016	1,147	233	281	1,661

There is a floating charge held over certain assets noted above in relation to the Group's banking facilities as detailed in the accounts of Centurion 3 Limited (note 21).

10. Stocks

	31 December 2017 £000	31 December 2016 £000
Finished goods and goods for resale	1,150	1,216
Provision for Obsolete Inventory	(51)	-
	1,099	1,216

11. Trade and other receivables

	31 December 2017 £000	31 December 2016 £000
Trade debtors	1,640	1,996
Prepayments and accrued income	270	472
Other debtors	17	17
	1,927	2,485

Amounts due from Group companies of £812k (2017: £2,992k) are non-interesting bearing and repayable on demand.

ATR Lifting Solutions Limited

Notes to the financial statements For the year ended 31 December 2017

12. Trade and other payables

	31 December 2017 £000	31 December 2016 £000
Trade creditors	1,962	1,642
Other taxes and social security costs	282	124
Accruals and deferred income	155	198
Other creditors	6	6
	2,405	1,970

Amounts due to Group companies of £5,225k (2017: £8,801k) are non-interest bearing and repayable on demand.

13. Provisions

	Dilapidations £000
Balance at 1 January 2017	337
Profit and loss account	-
Balance at 31 December 2017	337

The creditor falling due after more than one year represents a dilapidations provision to restore leasehold properties to their original condition at the expiration of the lease term.

14. Retirement benefit plans

Defined contribution

The Company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £7,132 (2016: £11,549) were payable to the fund at the period end.

	31 December 2017 £000	31 December 2016 £000
Contributions payable by the Company for the year/period	65	86

15. Share capital

	31 December 2017 £000	31 December 2016 £000
Allotted, called up and fully paid		
105,000 Ordinary Shares of £1 each	105	105

ATR Lifting Solutions Limited

Notes to the financial statements For the year ended 31 December 2017

16. Capital redemption reserve

	31 December 2017 £000	31 December 2016 £000
Balance at 1 January and 31 December 2018	104	104

17. Contingent liabilities

The Company is party to Group borrowing facilities and arrangements. Under these arrangements, the Group has pledged its shares in the subsidiaries and granted a debenture over its assets. The outstanding amount under the borrowing facilities at 31 December 2017 was £64m (\$86m). On 29 December 2017, the Group completed a combination with certain other entities controlled by the Group's controlling party, SCF Partners. In conjunction with this combination, the Group entered into a conditional revised banking facility for the enlarged group. The revised facility came into effect on 3 January 2018 when all the conditions precedent were fulfilled. The Company's shares continue to be pledged as security and a debenture is held of its assets under the revised facilities.

18. Financial commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Land & buildings		Other	
	31 December 2017 £000	31 December 2016 £000	31 December 2017 £000	31 December 2016 £000
Operating leases which expire:				
Not later than one year	498	572	141	169
Later than one year and not later than 5 years	1,901	1,991	198	339
Later than 5 years	12	419	-	-
	2,411	2,982	339	508

19. Post balance sheet events

There are no events that have occurred subsequent to the balance sheet date to the date of approval of these Financial Statements that affect the reported financial position at 31 December 2017.

20. Related party relationships and transactions

The Company has taken advantage of the exemption available in IAS 24 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

ATR Lifting Solutions Limited

Notes to the financial statements For the year ended 31 December 2017

21. Control

The ultimate holding company is Centurion Group Limited, a company registered in the Cayman Islands. Centurion Group Limited is controlled by SCF-VIII AIV LP, a Cayman Island limited partnership which in turn is controlled (except in limited and specified circumstances) by its general partner, LE Simmons & Associates Inc, a Delaware corporation.

The smallest and largest group which consolidates the results of the company is Centurion 3 Limited, a company registered in Scotland, whose financial statements are publicly available from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.