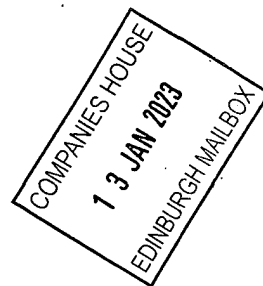


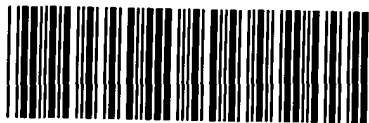
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ATR Lifting Solutions Limited

**Annual Report and Financial Statements
for the Year Ended 31 December 2021**

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Directors and Advisors

Directors

Mr E Leask

Mr K Moorhouse (appointed 21 January 2022)

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

Strategic Report

The directors, in preparing this strategic report, have complied with S414C of the Companies Act 2006.

Principal activities

The principal activities of ATR Lifting Solutions Limited, “the Company”, continues to be the provision of lifting, tooling and power equipment solutions (sale, rental, and inspection services) to a number of end-markets including the energy, infrastructure, power, environmental and renewable energy industries.

Business review

The Company is a subsidiary of Centurion Group Limited, a Cayman registered company. Centurion Group Limited 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.

As part of Centurion Group Limited, the Company’s vision and strategy is aligned to the Group.

The Group’s 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.

Strategic Report (continued)

Business review (continued)

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

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.

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

Strategic Report (continued)

Business review (continued)

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 reviewed monthly.

The Company's revenue for the year ending 31 December 2021 increased to £14,415k (2020: £14,354k). Gross profit increased from £3,314k to £3,560k with Gross Profit percentage increasing to 25% (2020: 23%). EBITDA, prior to exceptional and adjusting items, decreased from £1,124k to £999k.

The net liability position of the Company at 31 December 2021 is £4,363k (31 December 2020: £4,410k).

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. On 3 October 2022, the Group further upsized its existing multi-currency credit facility to approximately \$360m. The extended facilities are required to be repaid over a longer term and provide the Group with \$111.8m 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.

Group 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 H1'22 Revenue and Adjusted EBITDA ahead of H1'21 by 87% and 84%, 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 H1'22 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 \$26.2m, and the ability to draw down a further \$111.8m 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.

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

Strategic Report (continued)

Future developments (continued)

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.

On 1 September 2022, as part of an internal Centurion Group legal reorganization, the trade and certain assets of the Company were transferred to Centurion UK Rentals & Services Limited (formerly Rentair Limited). This transaction has no financial effect on the reported financial position at 31 December 2021.

Principal risks and uncertainties

The directors consider the principal risks and uncertainties to be those affecting the Group. 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 \$26.2m, and the ability to draw down a further \$111.8m 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 Company and 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.

Operational risks

The nature of the Company'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.

Strategic Report (continued)

Principal risks and uncertainties (continued)

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 Company's financial risks are discussed in the Directors' Report on page 8.

Going concern

The Company is party to Group borrowing facilities under which it is an obligor and guarantor. As a result, cash flow projections, including working capital requirements, are developed and managed at Group Level. At the date of this report the Group has cash and cash reserves of \$26.2m, and the ability to draw down a further \$111.8m 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. On 3 October 2022, the Group further upsized its existing multi-currency credit facility to approximately \$360m.

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.

Additionally, the directors have, at the time of approving the financial statements, developed a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and has obtained confirmation from the parent company of continuing financial support in the 12 month period subsequent to the approval of these financial statements.

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

Events after the balance sheet date

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.

On 1 September 2022, as part of an internal Centurion Group legal reorganization, the trade and certain assets of the Company were transferred to Centurion UK Rentals & Services Limited (formerly Rentair Limited). This transaction has no financial effect on the reported financial position at 31 December 2021.

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 Company and 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.

Strategic Report (continued)

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

Employees

The Company'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 Company and Group and the relevant financial and economic factors that affect the performance of the Company and 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 Company 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 Company also works closely with its suppliers to ensure that they embrace standards of ethical behaviour that are consistent with our own. The Company 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.

Impact on community and environment

The Company and 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.

Reputations for high standards of business conduct

Responsible business conduct is fundamental to the long term-success of the Company and Group. Centurion is committed to the highest standards of business ethics and corporate social responsibility toward the Company and 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

11 January 2023

Directors' Report

The directors present their annual report and the 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 2 to 7.

Directors

The directors, who served through the year and to the date of this report, were as follows:

Mr E Leask

Mr K Moorhouse (appointed 21 January 2022)

Director's 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 covers the directors for their roles of associated Companies.

Charitable and Political donations

During the year the Company made charitable donations of £1k (2020: £nil). There were no political donations during the current or prior year.

Dividends

There were no dividends paid or declared in the current or prior year.

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 currency, credit and liquidity risk. The Company does not use derivatives to manage its financial risk or for speculative purposes. The financial risk management policies are operated at Group level.

Credit risk

The Company's principal financial assets are trade receivables, amounts due from group companies 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 companies is monitored at Group level. 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 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.

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; 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
11 January 2023

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 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.

Independent Auditor's Report (continued)

to the members of ATR Lifting Solutions Limited

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 2021 and of its profit 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 income statement;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 23.

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

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

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

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

Other information

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

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

Independent Auditor's Report (continued)

to the members of ATR Lifting Solutions Limited

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 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.

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 company's industry and its control environment, and reviewed the company'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.

We obtained an understanding of the legal and regulatory framework that the company 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 Companies Act 2006 and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included anti-bribery legislation and local health and safety laws and regulations.

We discussed among the audit engagement team, including tax specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Independent Auditor's Report (continued)

to the members of ATR Lifting Solutions Limited

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

As a result of performing the above, we identified the greatest potential for fraud in respect of accrued revenue and some of our specific procedures performed to address it are described below:

- enquired from management about accrued revenue;
- assessed the appropriateness of revenue recognition accounting policy;
- agreed a sample of the revenue accrued to delivery notes and timesheets; and
- agreed the accrued revenue to post year end invoices.

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 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 and reviewing correspondence with HMRC

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.

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.

Independent Auditor's Report (continued)

to the members of ATR Lifting Solutions Limited

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.



David Mitchell, CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Aberdeen, United Kingdom
13 January 2023

Income Statement

For the year ended 31 December 2021

	Notes	2021 £000	2020 £000
Revenue	4	14,415	14,354
Cost of sales		(10,855)	(11,040)
Gross profit		3,560	3,314
Administrative expenses		(3,246)	(3,497)
Recurring		(3,246)	(3,223)
Exceptional and adjusting items	5	-	(274)
Other operating income	6	9	309
Operating profit	6	323	126
Finance expense and similar charges	7	(278)	(290)
Profit / (loss) before taxation		45	(164)
Taxation	9	1	-
Profit/ (loss) for the year		46	(164)
Total comprehensive profit / (loss) for the year		46	(164)

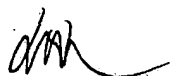
The result for the current and prior year is derived from continuing operations. There are no items of other comprehensive income in the year and therefore no separate statement of comprehensive income has been presented.

Statement of Financial Position

As at 31 December 2021

	Notes	2021 £000	2020 £000
NON-CURRENT ASSETS			
Property, plant and equipment	10	504	389
Right-of-use assets	11	4,708	5,142
Goodwill	12	6	6
Amounts owed by group companies	14	1,241	1,678
Total non-current assets		6,459	7,215
CURRENT ASSETS			
Inventories	13	823	790
Trade and other receivables	14	4,807	4,325
Cash at bank and in hand		520	196
Total current assets		6,150	5,311
Total assets		12,609	12,526
CURRENT LIABILITIES			
Trade and other payables	15	4,247	3,072
Amount owed to group companies	15	7,062	7,865
Lease liability	11	354	338
Total current liabilities		11,663	11,275
Net current liabilities		(5,513)	(5,964)
Total assets less current liabilities		946	1,251
NON-CURRENT LIABILITIES			
Long-term provisions	16	85	85
Lease liability	11	5,224	5,576
Total non-current liabilities		5,309	5,661
Net liabilities		(4,363)	(4,410)
EQUITY			
Called-up share capital	19	105	105
Other equity reserves	19	105	104
Accumulated losses	19	(4,573)	(4,619)
Shareholders' deficit		(4,363)	(4,410)

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



E Leask
Director
11 January 2023

Statement of Changes in Equity

For the year ended 31 December 2021

	Called-up share capital £000	Other equity reserves £000	Accumulated losses £000	Total £000
Balance at 1 January 2020	105	104	(4,455)	(4,246)
Loss and total comprehensive loss for the year	-	-	(164)	(164)
Balance at 31 December 2020	105	104	(4,619)	(4,410)
Profit and total comprehensive profit for the year	-	-	46	46
Share based payments (note 18)	-	1	-	1
Balance at 31 December 2021	105	105	(4,573)	(4,363)

Notes to the Financial Statements

For the year ended 31 December 2021

1. General information

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

The principal activities of the Company are described in the Strategic Report on page 2.

2. Significant accounting policies

The principal accounting procedures are set out below and have been applied consistently for all years presented in the financial statements.

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, and related party disclosures.

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 22.

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.

The financial statements are presented in pound sterling (GBP), which is the currency of the primary economic environment in which the Company operates.

2.2 Going Concern

The Company is party to Group borrowing facilities under which it is an obligor and a guarantor. As a result, cash flow projections, including working capital requirements, are developed and managed at Group level. At the date of this report the Group has cash and cash reserves of \$26.2m, and the ability to draw down a further \$111.8m 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.

Additionally, the directors have, at the time of approving the financial statements, developed a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and has obtained confirmation from the parent company of continuing financial support in the 12 month period subsequent to the approval of these financial statements.

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.3 Adoption of new revised standards

The Company has adopted all new and revised standards effective for the period beginning 1 January 2021. The adoption of these standards has not impacted the Company's reported results or financial position.

2.4 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.

2.5 Revenue recognition

The Company recognises revenue from the following major sources:

- Hire of equipment and personnel;
- Labour and inspection; and
- Sale of equipment

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company 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.

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

2.5.2 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.

2.5.3 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.

2.6 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.

2.6.2 Transactions and balances

In preparing the financial statements of the Company, 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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

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

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.

2.8.2 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.

2.8.3 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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.9 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 5 years
Other Plant and Equipment	3 to 8 years

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 Right of use assets

The right of use assets comprise the initial measurement of the corresponding lease liability (see note 2.11), 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 Company 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 Company 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 Company 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 2.19.

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.

2.11 Leases

2.11.1 The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company 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 Company 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 Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.11 Leases (continued)

2.11.1 The Company 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 Company's incremental borrowing rate. Generally, the Company 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 Company'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 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 Company 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 Company did not make any such adjustments during the year presented.

The right of use assets are presented as a separate line in the 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.

2.11.2 The Company as lessor

Leases for which the Company 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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.11 Leases (continued)

2.11.2 The Company as lessor (continued)

When the Company 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 Company'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 Company's net investment outstanding in respect of the leases.

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

2.12 Inventories

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

2.13 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 Companies 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.

2.14 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company 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.

2.14.1 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 Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.14 Financial instruments (continued)

2.14.1 Financial assets (continued)

Classification of 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 Company's financial assets is such that they largely meet the above conditions and therefore are subsequently measured at amortised cost.

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

- the Company 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 Company 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.

Impairment of financial assets

The Company 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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

2.14 Financial instruments (continued)

2.14.1 Financial assets (continued)

Impairment of financial assets (continued)

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company'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 Company 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 Company 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 Company 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 Company 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 Company regularly 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 Company 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 Company, in full (without taking into account any collateral held by the Company).

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

Significant accounting policies (continued)

2.14 Financial instruments (continued)

2.14.1 Financial assets (continued)

Write-off policy

The Company 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 Company'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 Company 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 Company 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 Company 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 Company 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company 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 Company 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 Financial Statements (continued)

For the year ended 31 December 2021

Significant accounting policies (continued)

2.15 Financial liabilities and equity instruments

2.15.1 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 arrangements and the definitions of a financial liability and an equity instrument.

2.15.2 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.

2.15.3 Financial liabilities

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

2.15.4 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.

2.15.5 Derecognition of financial liabilities

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

2.16 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.

2.17 Share based payments

The Company's ultimate parent company has granted rights to its equity instruments to certain employees of the Company. 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 Company's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Company 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.

2.18 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.

2.19 Impairment

2.19.1 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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

Significant accounting policies (continued)

2.19 Impairment (continued)

2.19.2 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.

2.19.3 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.

2.19.4 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.

2.20 Government grant

Government grants are not recognised until there is reasonable assurance that the Company 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 Company 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 Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

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. There are no key sources of estimation uncertainty and critical judgments impacting these financial statements.

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

4. Revenue

Analysis by category

	2021 £000	2020 £000
Hire of equipment	7,519	6,982
Sale of goods	4,569	5,274
Labour & Inspection	2,327	2,098
	14,415	14,354

Analysis by geography

	2021 £000	2020 £000
United Kingdom	14,132	14,128
Other	283	226
	14,415	14,354

5. Exceptional and adjusting items

Exceptional and adjusting items comprise the following:

	2021 £000	2020 £000
Severance costs	-	274
Total exceptional and adjusting items	-	274

Severance costs relate to costs incurred towards staff redundancies as a result of Covid-19. The group classifies severance costs as exceptional and adjusting due as they do not relate to ordinary trading activity.

6. Operating profit for the year

	Notes	2021 £000	2020 £000
Operating profit is stated after charging/(crediting):			
Employee benefit expense	8	2,921	3,292
Depreciation of property, plant and equipment	10	242	267
Depreciation of right of use asset	11	434	457
Inventory expense		4,835	5,473
Foreign exchange gain			
- Realised		(6)	-
Profit on disposal of property, plant and equipment		(153)	(130)
Government grant for the purpose of immediate financial support		9	309
Auditors' remuneration			
- Audit of these financial statements		27	22

In 2021, government grants of £9k (2020: £309k) were received as part of various government initiatives to provide immediate financial support as a result of the Covid-19 pandemic. These have been recognised as other operating income in the year. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the year.

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed as they are included in the consolidated financial statements of Centurion 3 Limited, an intermediate parent company.

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

7. Finance expense and similar charges

	2021 £000	2020 £000
Interest on leases	278	290
	278	290

8. Employee benefit expense

	2021 £000	2020 £000
Wages and salaries	2,599	2,927
Social security costs	261	288
Other pension costs	61	77
	2,921	3,292

	2021 No.	2020 No.
Average monthly number of employees during the year was:		
- Operations	48	51
- Sales and administration	18	21
	66	72

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

9. Taxation

	2021 £000	2020 £000
Current tax		
Foreign tax in current year	(1)	-
Total current tax credit	(1)	-
Deferred tax		
Current year	-	-
Total deferred tax charge	-	-
Total income tax credit	(1)	-

Reconciliation of income tax expense

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

	2021 £000	2020 £000
Profit/(loss) before taxation	45	(164)
Profit / (loss) before taxation multiplied by standard rate of UK corporation of 19% (2020: 19%)	9	(31)
Expenses not deductible	3	2
Group relief for nil consideration	(29)	269
Unrecognised deferred tax asset	17	(240)
Withholding taxes and unrelieved overseas taxes	(1)	-
Tax credit for the year	(1)	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

9. Taxation (continued)

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%.

At 31 December 2021 a deferred tax asset arising from timing differences of £10,854k (2020: £10,503k) has not been recognised as its recoverability is subject to future profitability and is uncertain. The tax losses may be carried forward indefinitely.

10. Property, plant and equipment

	Leasehold Land and Buildings £000	Hire Fleet £000	Other Plant and Equipment £000	Total £000
Balance at 31 December 2020	511	9,469	2,891	12,871
Additions	18	305	36	359
Disposals	-	(694)	-	(694)
Balance at 31 December 2021	529	9,080	2,927	12,536
Accumulated depreciation				
Balance at 31 December 2020	424	9,202	2,856	12,482
Charge for the year	33	185	24	242
On disposals	-	(692)	-	(692)
Balance at 31 December 2021	457	8,695	2,880	12,032
Net book value				
At 31 December 2021	72	385	47	504
At 31 December 2020	87	267	35	389

There is a floating charge held over assets noted above in relation to the Group's banking facilities as detailed in the accounts of Centurion 3 Limited (note 22).

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

11. Leases

	Offices and buildings £000	Vehicles £000	Total £000
Right of use asset			
Cost			
At 1 January 2021 and 31 December 2021	7,267	127	7,394
Accumulated depreciation			
At 1 January	2,245	7	2,252
Charge for the year	402	32	434
At 31 December 2021	2,647	39	2,686
Net book value			
At 31 December 2021	4,620	88	4,708
At 31 December 2020	5,022	120	5,142
	Offices and buildings £000	Vehicles £000	Total £000
Lease liabilities			
At 31 December 2020	5,794	120	5,914
Interest expense	275	3	278
Repayment of lease liability	(581)	(33)	(614)
At 31 December 2021	5,488	90	5,578

A maturity analysis of the Company's IFRS 16 lease liability is shown below:

	2021 £000	2020 £000
Lease Liabilities		
Current	354	338
Non-Current	5,224	5,576
	5,578	5,914

The amounts charged to operating profit and amounts charged to finance costs are as follows:

	2021 £000	2020 £000
Depreciation charge for right of use assets		
- Offices and buildings	402	402
- Vehicles	32	16
- Equipment	-	40
Charged to operating profit	434	458
Interest expense related to lease liabilities	278	290
Charge to profit / (loss) before tax	712	748

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

11. Leases (continued)

The Company leases various properties, vehicles, and other plant 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 on an individual basis and contain a wide range of terms and conditions. The lease arrangements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

The Company 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 Company's 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 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 Company, the Company'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.

12. Goodwill

	£000
At 1 January 2021 and 31 December 2021	6

13. Inventories

	2021 £000	2020 £000
Finished goods and goods for resale	1,014	963
Provision for Obsolete Inventory	(191)	(173)
	823	790

14. Trade and other receivables

	2021 £000	2020 £000
Trade debtors	2,885	2,626
Prepayments and accrued income	1,886	1,669
Other debtors	36	30
	4,807	4,325

Non-current amounts due from Group companies of £1,241k (2020: £1,678k) are non-interest bearing and have no formal repayment terms.

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

15. Trade and other payables

	2021 £000	2020 £000
Trade creditors	3,280	1,279
Other taxes and social security costs	62	435
Accruals and deferred income	904	1,356
Other creditors	1	2
	4,247	3,072

Amounts due to Group companies of £7,062k (2020: £7,865k) are non-interest bearing and have no formal repayment terms.

16. Provisions

	Dilapidations Provision £000
At 1 January 2021 and 31 December 2021	85

The provision represents a dilapidations provision to restore leasehold properties to their original condition at the expiration of the lease term.

17. Retirement benefit plans

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Pension costs charged in the year amounted to £61k (2020: £77k). Pension contributions of £nil (2020: £nil) were outstanding at 31 December 2021.

18. Share based payments

The Company's ultimate 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 1 employee (2020: 1 employee) participated in these schemes.

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

19. Share capital and reserves

	2021 £000	2020 £000
Allotted, called up and fully paid 105,000 Ordinary Shares of £1 each	105	105

Other equity reserves

	Capital redemption reserve £000	Share based payments £000	Total £000
Balance at 1 January 2021	104	-	104
Movement in the year	-	1	1
Balance as at 31 December 2021	104	1	105

Accumulated losses

	2021 £000	2020 £000
Balance at beginning of year	(4,619)	(4,455)
Profit / (loss) for the year	46	(164)
Balance at end of year	(4,573)	(4,619)

20. Related party balances 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.

21. Contingent liability

The Company is party to the 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 2021 was £121m (\$163m) (2020: £109m (\$141m)).

22. Controlling party

The ultimate holding company 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.

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.

23. Post balance sheet events

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 Company's operations, historically there has been limited direct or indirect trading with Russia or Ukraine. As a result, the Company does not consider there to be any impact from this conflict on its operations or finances.

On 1 September 2022, as part of an internal Centurion Group legal reorganization, the trade and certain assets of the Company were transferred to Centurion UK Rentals & Services Limited (formerly Rentair Limited). This transaction has no financial effect on the reported financial position at 31 December 2021.