

Registered Number: SC473580

RMEC Group Limited

**Annual Report and Financial Statements
for the 9 month period ended 31 December 2022**



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Directors and Advisors

Directors

Mr E Leask

Mr K Moorhouse

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

Directors' Report

The directors present their annual report and the financial statements for the 9 month period ended 31 December 2022.

The directors have taken the small companies' exemption from preparing the strategic report.

Principal activities

The principal activity of RMEC Group Limited, "the Company", is that of an intermediate holding company.

Directors

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

Mr E Leask

Mr K Moorhouse

Business review and outlook

The Company is a wholly owned 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 rentals and services to a range of critical industries including the energy, minerals, infrastructure, power, environmental and renewable energy sectors. The Group has a global reach with operations in key service locations: Canada, America, UK & Europe, Caspian, Middle East, South East Asia and Australia.

The Company recorded £68k profit in the period (year ended 31 March 2022: £671k).

Principal risks and uncertainties

The directors consider the principal risk 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.

Dividends

No dividend was paid or proposed in the period (year ended 31 March 2022: £nil).

Financial risk management policies and objectives

The Company's activities expose it to financial risks including capital 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.

Capital risk

The Company manages its capital as part of a group wide strategy to ensure that entities within the Group, including the Company, will be able to continue to operate as going concerns. The capital structure of the Company consists of amounts due to related parties and shareholders' equity.

Liquidity risk

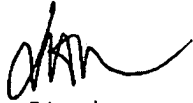
As an intermediate holding company there is a limited requirement for working capital. The Company has net current liabilities arising from intra group balances and has access to funding from related group companies to meet obligations if needed.

Directors' Report

Audit exemption statement

For the 9 month period ended 31 December 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Approved by the Board and signed on its behalf by:



E Leask
Director

14 March 2024

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

Income Statement

For the 9 month period ended 31 December 2022

		9 month period ended 31 December 2022 £000	Year ended 31 March 2022 £000
	Note		
Revenue	4	250	600
Cost of sales		-	-
Gross profit		250	600
Administrative expenses		(182)	(782)
Other operating income		-	1,669
Operating profit	5	68	1,487
Finance expenses and similar charges	6	-	(800)
Profit before taxation		68	687
Tax on profit	8	-	(16)
Profit for the period		68	671

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.

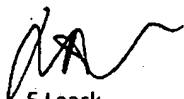
Statement of Financial Position

As at 31 December 2022

		31 December 2022 £000	31 March 2022 £000
	Note		
NON-CURRENT ASSETS			
Investments	9	16,949	16,949
Total non-current assets		16,949	16,949
CURRENT ASSETS			
Trade and other receivables	10	-	25
Cash at bank and in hand		-	2
Total current assets		-	27
Total assets		16,949	16,976
CURRENT LIABILITIES			
Trade and other payables	11	-	(208)
Amount owed to group companies	11	(17,417)	(17,304)
Total current liabilities		(17,417)	(17,512)
Net current liabilities		(17,417)	(17,485)
Total assets less current liabilities		(468)	(536)
PROVISIONS FOR LIABILITIES			
Provisions for liabilities	8	(16)	(16)
Total provisions for liabilities		(16)	(16)
Net liabilities		(484)	(552)
EQUITY			
Called-up share capital	12	1,041	1,041
Capital redemption reserve	12	2,350	2,350
Other equity reserves	12	222	222
Accumulated losses	12	(4,097)	(4,165)
Total Equity		(484)	(552)

For the financial period ended 31 December 2022 the Company was entitled to exemption under section 479A of the Companies Act 2006. No members have required the Company to obtain audit of its accounts for the period ended 31 December 2022 in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements of RMEC Group Limited (registered number SC473580) were approved by the Board of Directors and signed on its behalf by:



E Leask

Director

14 March 2024

Statement of Changes in Equity

For the 9 month period ended 31 December 2022

	Called-up share capital £000	Capital redemption reserve £000	Other equity reserves £000	Accumulated losses £000	Total £000
Balance at 1 April 2021	1,020	2,350	243	(4,836)	(1,223)
Profit and total comprehensive profit for the year	-	-	-	671	671
Exercising of share options (note 14)	21	-	(21)	-	-
Balance at 31 March 2022	1,041	2,350	222	(4,165)	(552)
Profit and total comprehensive profit for the period	-	-	-	68	68
Balance at 31 December 2022	1,041	2,350	222	(4,097)	(467)

Notes to the Financial Statements (continued)

For the 9 month period ended 31 December 2022

1. General information

RMEC Group 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 nature of the Company's operations and its principle activities are set out in the Directors 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 financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, adoption of IFRS 16, 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 17.

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 ('£'), which is the currency of the primary economic environment in which the Company operates.

2.2 Going Concern

The Company is party to the Group borrowing facilities under which it is an obligor and a guarantor (note 16). 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 \$23m, and the ability to draw down a further \$21m of debt funding under the existing RCF subject to customary bank covenants and credit agreement conditions. On 3 October 2022, the Group upsized its existing multi-currency credit facility by \$92m from \$266m to \$358m. On 15 December 2023, the Group extended the term of its existing multi-currency credit facility from 31 December 2024 to 31 December 2026 and further upsized the facility by \$56m to \$394m.

Having assessed the Group financial position, the trading prospects and liquidity including possible downside scenarios through the going concern period, being 12 months subsequent to the approval of these financial statements, 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 (note 17) 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.

Statement of Changes in Equity

For the 9 month period ended 31 December 2022

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 April 2022. The adoption of these standards has not had any material impact on the disclosures or the amounts reported in these financial statements.

2.4 Taxation

2.4.1 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.

2.4.2 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 Company 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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

2.4.3 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.

Statement of Changes in Equity

For the 9 month period ended 31 December 2022

2. Significant accounting policies (continued)

2.5 Investments in subsidiaries

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

2.6 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.

2.7 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.

2.8 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.

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 impact.

Notes to the Financial Statements (continued)

For the 9 month period ended 31 December 2022

4. Revenue

Analysis by category

	9 month period ended 31 December 2022 £000	Year ended 31 March 2022 £000
Other	250	600
	250	600

Analysis by geography

	9 month period ended 31 December 2022 £000	Year ended 31 March 2022 £000
United Kingdom	250	600
	250	600

5. Operating profit

	Note	9 month period ended 31 December 2022 £000	Year ended 31 March 2022 £000
Operating profit for the period is stated after charging/(crediting):			
Employee benefit expense	7	181	363
Auditors' remuneration			
- Audit of these financial statements		-	19

6. Finance expense and similar charges

	9 month period ended 31 December 2022 £000	Year ended 31 March 2022 £000
Loan interest	-	563
C share dividend	-	237
	-	800

Notes to the Financial Statements (continued)

For the 9 month period ended 31 December 2022

7. Employee benefit expense

	9 month period ended 31 December 2022 £000	Year ended 31 March 2022 £000
Wages and salaries	145	326
Social security costs	18	27
Other pension costs	18	10
	181	363
	2022	2022
Average monthly number of employees in the period was:	No.	No.
Total	4	4

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.

8. Taxation

	9 month period ended 31 December 2022 £000	Year ended 31 March 2022 £000
Deferred tax		
Current period	-	16
Total deferred tax charge	-	16
Total income tax charge	-	16

Reconciliation of income tax

The income tax for the period is reconciled to the accounting profit as follows:

	9 month Period ended 31 December 2022 £000	Year ended 31 March 2022 £000
Profit before taxation	68	687
Profit before taxation multiplied by standard rate of UK corporation tax of 19% (31 March 2022: 19%)	13	131
Group relief	(13)	
Current tax charge for the period	-	16

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 2022 have been measured at 25%.

Notes to the Financial Statements (continued)

For the 9 month period ended 31 December 2022

8. Taxation (continued)

At 31 December 2022 a deferred tax asset arising from timing differences of £15,179k (31 March 2022: £8,204k) has not been recognised as its recoverability is subject to future profitability and is uncertain.

Deferred tax liability

The deferred tax liability recognised by the Company and the movement during the current and prior period is as follows:

	31 December 2022 £000	31 March 2022 £000
Balance at 1 April	16	-
Charge for the period	-	16
Balance at period end	16	16

9. Fixed asset investments

	31 December 2022 £000	31 March 2022 £000
Shares in group undertakings	16,949	16,949

The Company holds the issued share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held	%
RMEC Limited	Scotland	Ordinary		100.00

10. Trade and other receivables

	31 December 2022 £000	31 March 2022 £000
Other debtors	-	25
	-	25

11. Trade and other payables

	31 December 2022 £000	31 March 2022 £000
Trade creditors	-	25
Other taxation and social security	-	158
Other creditors	-	25
	-	208

Amounts due to Group companies of £17,417k (31 March 2022: £17,304k) are non-interest bearing and have no formal repayment terms. The counterparties comprise intermediate parent companies and fellow subsidiaries within the Centurion 3 Limited group.

Notes to the Financial Statements (continued)

For the 9 month period ended 31 December 2022

12. Share capital and reserves	31 December 2022	31 March 2022
	£	£
Allotted, called up and fully paid		
539,816 Ordinary A shares of £1 each	539,816	539,816
501,000 Ordinary B shares of £1 each	501,000	501,000
2,350,000 Ordinary C shares of 0.001p each	24	24

Other equity reserves

	Capital redemption reserve £000	Share based payments £000	Total £000
Balance at 1 April 2022	2,350	222	2,572
Movement in the period	-	-	-
Balance as at 31 December 2022	2,350	260	2,610

Accumulated losses

	31 December 2022	31 March 2022
	£000	£000
Balance at beginning of period	(4,165)	(4,836)
Profit for the period	68	671
Balance at end of period	(4,097)	(4,165)

13. 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 period amounted to £18k (31 March 2022: £10k).

14. Share based payments

The Company's parent, Centurion Group Limited ("CGL"), has a share option plan for certain employees of its subsidiaries. Under this plan, options are awarded to purchase CGL shares at a future date for a price set at grant date (exercise price). Outstanding options at 31 December 2022 are exercisable at a range of strike prices up 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 2022 4 employees (31 March 2022: 0 employee) participated in these schemes.

Notes to the Financial Statements (continued)

For the 9 month period ended 31 December 2022

15. Related party balances and transactions

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

16. 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 2022 was £182m (\$220m) (31 December 2021: £121m (\$163m)).

17. 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 (Registered office: Blackwood House, Union Grove Lane, Aberdeen, United Kingdom, AB10 6XU), whose financial statements are publicly available from Companies House, Crown Way, Cardiff, CF14 3UZ.