Registered number: SC483951

COMPANIES HOUSE
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RIGMAR GROUP (HOLDINGS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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COMPANY INFORMATION

Directors	J A Wilson K W Nelson W R Donaldson (appointed 1 January 2020) R J Jewkes (appointed 1 January 2020, resigned 30 June 2021)
Company secretary	Burness Paull LLP
Registered number	SC483951
Registered office	Union Plaza (6th Floor) 1 Union Wynd Aberdeen AB10 1DQ
Independent auditor	Anderson Anderson & Brown Audit LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

CONTENTS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

Rigmar Group (Holdings) Limited ("the group") was incorporated on 8 August 2014 with the aim of providing market leading technical services for marine operations and asset integrity. The Group has continued to extend its offering of technical services across assets classes and geographies focusing on extending the asset life and operational uptime of clients' assets. In addition the Group has been successful in the award of contracts from clients in the expanding offshore and onshore wind sector.

Business review

The Group's financial performance was significantly impacted by the COVID 19 pandemic with a number of projects delayed until restrictions could be lifted, however, it continued to trade, albeit at a reduced level of activity, with a view to taking advantage of future opportunities and has been able to add to its asset base during 2021 to utilise new technology and reduce operating costs. The Group is forecasting growth during 2021 and 2022 with a mix of oil and gas and renewable contracts and fully expects to achieve its targets for 2021 EBITDA.

The directors are confident in the Group's strategic focus on technical services with actions being taken during the course of the year to further expand the technical offering.

The directors are of the opinion that the Group is both highly competitive in the oil and gas sector and witnessed a pronounced increase in windfarm activity during 2020 and is continuing to see this increase into 2021 and beyond.

Principal risks and uncertainties

The principal business risks and uncertainties affecting the company are considered to relate to competition from similar business, activity levels within the oil and gas sector and the volatility in the oil price. Further to these risks, there is continued uncertainty due to the economic and operational impact of COVID 19.

Financial key performance indicators

The directors monitor turnover, gross profit and operating profit as financial key performance indicators. In the period under review these were as follows:

Turnover - £9.9m (2019 - £15.6m)
Gross Profit - £1.87m (2019 - £4.64m)
Gross Profit Margin – 18.9% (2019 - 29.7%)
EBITDA excluding exceptional costs - (£1.3m) (2019 - £0.5m)

The group will continue to monitor performance against these metrics going forward.

Other key performance indicators

Operational key performance indicators are billable man hours, asset utilisation and tender volumes. The directors believe that these combined with the key financial performance indicators provide sufficient information with which to assess performance.

This report was approved by the board and signed on its behalf.

Keith W Nel

K W Nelson
Director

Date: 21/12/21

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to £3,787,934 (2019 - loss £2,182,444).

The directors do not propose payment of a dividend (2019 - £nil).

Directors

The directors who served during the year were:

J A Wilson
K W Nelson
W R Donaldson (appointed 1 January 2020)
R J Jewkes (appointed 1 January 2020, resigned 30 June 2021)

Future developments

The group continues to trade through the COVID 19 pandemic and has seen an increase in tender activity for wind farm projects in particular into 2021/22 for the full range of services the Group provides. The Group is well placed to extend its market share delivering cost effective yet profitable technical services, while also continuing its diversification into other sectors.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

Post balance sheet events

The majority shareholders agreed to continue the standstill agreement on the group's loan repayment terms and covenants. No loan repayments or interest will be payable until February 2023 although interest will continue to accrue during this period.

Auditor

The auditor, Anderson Anderson & Brown Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Keith W Nel

....

K W Nelson
Director

Date: 21/12/21

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion

We have audited the financial statements of Rigmar Group (Holdings) Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Statement of comprehensive income, the Group and company Statements of financial position, the Group Statement of cash flows, the Group and company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that there remains uncertainty over whether the market will improve as anticipated in the financial projections which will enable the group to achieve budgeted EBITDA. As stated in note 2.3 , these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's or the parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

We also draw attention to note 3 in the financial statements which indicates that the budgeted EBITDA for the group underpins the goodwill impairment assessment. If EBITDA does not grow as budgeted then goodwill will be overstated. Consequently a material uncertainty exists that may cast doubt on the carrying value of goodwill in the financial statements. Our opinion is not modified in respect of this matter.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, together with the FRS102. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations were Anti-fraud and bribery and corruption legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risks of material impact on the financial statements from irregularities, including fraud, to be within the timing and recognition of commercial revenue, posting of unusual journals along with complex transactions and override of controls by management. Our audit procedures to respond to this risk included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the timing of revenue, testing a sample of journals to confirm they are appropriate and reviewing areas of judgement for indicators of management bias.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

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.

Anderson Anderson & Brown Audit LLP

James Pirrie (Senior statutory auditor)

for and on behalf of
Anderson Anderson & Brown Audit LLP

Statutory Auditor

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU
Date: 22 December 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	As restated 2019 £
Turnover	4	9,892,733	15,644,399
Cost of sales		(8,019,551)	(11,002,569)
Gross profit		1,873,182	4,641,830
Administrative expenses		(4,952,567)	(5,867,010)
Exceptional administrative expenses		(78,630)	(54,443)
Other operating income		246,777	-
Operating loss	5	(2,911,238)	(1,279,623)
Interest payable and expenses	9	(848,691)	(902,821)
Loss before taxation		(3,759,929)	(2,182,444)
Tax on loss	10	(28,005)	-
Loss for the financial year		(3,787,934)	(2,182,444)

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 17 to 39 form part of these financial statements.

RIGMAR GROUP (HOLDINGS) LIMITED
REGISTERED NUMBER:SC483951

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note		2020 £		As restated 2019 £
Fixed assets					
Intangible assets	12		5,623,705		7,062,221
Tangible assets	14		345,486		393,501
			5,969,191		7,455,722
Current assets					
Debtors	16	2,945,346		6,282,380	
Cash at bank and in hand	17	1,462,262		1,180,217	
		4,407,608		7,462,597	
Creditors: amounts falling due within one year	18	(5,531,407)		(6,284,993)	
Net current (liabilities)/assets			(1,123,799)		1,177,604
Total assets less current liabilities			4,845,392		8,633,326
Creditors: amounts falling due after more than one year	19		(12,166,774)		(12,166,774)
Provisions for liabilities					
Net liabilities			(7,321,382)		(3,533,448)
Capital and reserves					
Called up share capital	23		20,098		20,098
Share premium account			17,068,774		17,068,774
Profit and loss account			(24,410,254)		(20,622,320)
			(7,321,382)		(3,533,448)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Keith W Nel
....
K W Nelson
Director

Date: 21/12/21

The notes on pages 17 to 39 form part of these financial statements.

RIGMAR GROUP (HOLDINGS) LIMITED
REGISTERED NUMBER:SC483951

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COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note		2020 £		As restated 2019 £
Fixed assets					
Investments	15		10,963,690		10,963,690
			10,963,690		10,963,690
Current assets					
Debtors	16	12,847,989		12,524,930	
		12,847,989		12,524,930	
Creditors: amounts falling due within one year	18	(1,481,637)		(1,158,578)	
Net current assets			11,366,352		11,366,352
Total assets less current liabilities			22,330,042		22,330,042
Creditors: amounts falling due after more than one year	19		(5,241,170)		(5,241,170)
Net assets			17,088,872		17,088,872
Capital and reserves					
Called up share capital	23		20,098		20,098
Share premium account			17,068,774		17,068,774
			17,088,872		17,088,872

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Keith W Nel
....
K W Nelson
Director

Date: 21/12/21

The notes on pages 17 to 39 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019 (as previously stated)	20,098	17,068,774	(17,874,736)	(785,864)
Prior year adjustment	-	-	(565,140)	(565,140)
At 1 January 2019 (as restated)	20,098	17,068,774	(18,439,876)	(1,351,004)
Comprehensive income for the year				
Loss for the year	-	-	(2,182,444)	(2,182,444)
At 1 January 2020 (as previously stated)	20,098	17,068,774	(19,917,180)	(2,828,308)
Prior year adjustment	-	-	(705,140)	(705,140)
At 1 January 2020 (as restated)	20,098	17,068,774	(20,622,320)	(3,533,448)
Comprehensive income for the year				
Loss for the year	-	-	(3,787,934)	(3,787,934)
At 31 December 2020	20,098	17,068,774	(24,410,254)	(7,321,382)

The notes on pages 17 to 39 form part of these financial statements.

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COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019 (as previously stated)	20,098	17,068,774	565,140	17,654,012
Prior year adjustment	-	-	(565,140)	(565,140)
At 1 January 2019 (as restated)	20,098	17,068,774	-	17,088,872
At 1 January 2020 (as previously stated)	20,098	17,068,774	705,140	17,794,012
Prior year adjustment	-	-	(705,140)	(705,140)
At 1 January 2020 (as restated)	20,098	17,068,774	-	17,088,872
At 31 December 2020	20,098	17,068,774	-	17,088,872

The notes on pages 17 to 39 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	As restated 2019 £
Cash flows from operating activities		
Loss for the financial year	(3,787,934)	(2,182,444)
Adjustments for:		
Amortisation of intangible assets	1,502,454	1,502,454
Depreciation of tangible assets	181,682	223,411
Loss on disposal of tangible assets	-	(79,226)
Government grants	(246,777)	-
Interest paid	848,691	902,821
Corporation taxation paid	(28,005)	-
Decrease in debtors	3,337,041	369,888
(Decrease) in creditors	(1,625,286)	(894,980)
Corporation tax charge	28,005	-
Net cash generated from operating activities	209,871	(158,076)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	As restated 2019
	£	£
Cash flows from investing activities		
Purchase of intangible fixed assets	(63,938)	-
Purchase of tangible fixed assets	(133,667)	(148,738)
Sale of tangible fixed assets	-	219,711
Government grants received	246,777	-
Net cash from investing activities	49,172	70,973
Cash flows from financing activities		
New bank loan	23,002	-
Repayment of loans	-	(68,116)
Loan notes issued	-	1,216,170
Net cash used in financing activities	23,002	1,148,054
Net increase in cash and cash equivalents	282,045	1,060,951
Cash and cash equivalents at beginning of year	1,180,217	119,266
Cash and cash equivalents at the end of year	1,462,262	1,180,217
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,462,262	1,180,217
	1,462,262	1,180,217

The notes on pages 17 to 39 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	1,180,217	282,045	1,462,262
Debt due after 1 year	(12,166,774)	-	(12,166,774)
Debt due within 1 year	(100,000)	(23,002)	(123,002)
Finance leases	(22,464)	-	(22,464)
	(11,109,021)	259,043	(10,849,978)

The notes on pages 17 to 39 form part of these financial statements.

1. General information

Rigmar Group (Holdings) Limited is a company incorporated in Scotland. The registered office is Union Plaza, 6th Floor, 1 Union Wynd, Aberdeen, Aberdeenshire, AB10 1DQ.

The principal activities of the group are the provision of technical services for marine operations and asset integrity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and 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.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of group and its own subsidiaries ("the group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2. Accounting policies (continued)

2.3 Going concern

The directors, having made due and careful enquiry including the preparation of detailed forecasts, review of the order book and anticipated market conditions, are of the opinion that the company has adequate working capital to execute their operations over the next 12 months.

Financial projections have been prepared for the group for 2021/2022 which anticipate improving market conditions. The financial statements have been prepared on a going concern basis due to the continuing availability of existing debt facilities and the support of investors. Despite this, there remains uncertainty over whether the market will improve as anticipated which will enable the group to achieve the budgeted EBITDA.

The group's debt is due for repayment in November and December 2021. The group facility funders have provided a non-enforcement letter to the group, agreeing not to enforce the facility agreements until February 2023. Pursuant to the non-enforcement letters, the Noteholders have agreed not to pursue repayment of the loan notes until February 2023. Given the current position of the group and anticipated future cashflow, it may be that further financial support from group facility funders is required beyond February 2023.

In arriving at this conclusion, the directors have given due consideration to the impact of the worldwide Covid-19 pandemic on future operations and the ability of the group to continue as a going concern. The directors recognise that the situation remains uncertain as the full impact of restrictions easing in the UK on the economy are yet to be seen. The directors do recognise that trading over the coming months may continue to be affected.

Despite this, the directors remain confident that the group can continue to operate as a going concern. This assessment is based on the understanding that the wider group will continue to trade over the coming months.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Long term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life of ten years.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land & buildings	- 1% on cost
Short-term leasehold property	- 20% on cost
Plant and machinery	- 10 - 33% on cost
Motor vehicles	- 50% on cost
Fixtures and fittings	- 20% - 50% on cost
Office equipment	- 50% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Consumable supplies ("consumables"), in the form of material or supplies to be consumed in the rendering of services, are expensed to income as and when they are purchased. Such supplies have no resale value and are used, for no consideration, by the company in the rendering of services. Such consumables are used in the rendering of services when they are acquired and are not recognised as stocks as they are not used for more than one accounting period.

When such consumables are held and expected to provide future economic benefits they are recognised as stocks and valued at the lower of cost and realisable value.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2. Accounting policies (continued)

2.11 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Accounting policies (continued)

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.14 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Exchange gains and losses are recognised in the Statement of Comprehensive Income.

2.15 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

The Group contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

The group contributes to a defined contributions pension scheme. The assets of the scheme are held seperately from those of the group in an independently administered fund.

2.18 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.19 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.20 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of financial position date and the amounts reported during the year for revenue and costs. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements and estimates have had the most significant impact on amounts recognised in the financial statements.

Taxation

The group establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions are based on various factors, such as experience with previous tax authorities and differing interpretations of tax regulations by the company and the tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Impairment of debtors

The group makes an assessment of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider various factors including the ageing profile of debtors and historical experience. See Note 16 for the net carrying amount of the debtors and associated impairment provisions.

Carrying value of goodwill

The group assesses annually whether goodwill has been impaired. Management assess the carrying value of goodwill using a number of factors including the trading performance of the company's which generated the goodwill on acquisition and the company's future cash flow projections discounted appropriately. One of the key assumptions which underpins this assessment is the group anticipating improving market conditions. See note 2.3 for management's judgement on the uncertainty of these assumptions and note 12 for the net carrying amount of goodwill and associated impairment provisions.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Provision of engineering works	3,253,416	11,036,496
Provision of marine consultancy and offshore services	6,639,317	4,425,777
Provision of fabrication works	-	182,126
	9,892,733	15,644,399

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	4,630,718	10,634,417
Rest of Europe	604,947	1,112,701
Rest of the world	4,657,068	3,897,281
	9,892,733	15,644,399

5. Operating loss

The operating (loss)/profit is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	181,682	223,411
Amortisation of goodwill	1,502,454	1,502,454
Exchange differences	7,785	31,239
Operating lease rentals	23,917	200,596
Defined contribution pension cost	86,216	77,211

6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	37,150	40,000
Fees payable to the Group's auditor in respect of:		
Other services relating to taxation	14,725	15,750
All other services	5,082	9,216

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	2,537,872	3,133,558	-	-
Social security costs	270,013	358,516	-	-
Cost of defined contribution scheme	86,216	77,211	-	-
	2,894,101	3,569,285	-	-

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Management	2	2
Administration	37	40
Engineering, onshore and mooring	12	17
Towmaster	4	5
	55	64

8. Directors' and key management remuneration

	2020 £	2019 £
Directors' emoluments	150,292	107,500
Company contributions to defined contribution pension schemes	7,982	1,188
	158,274	108,688

During the year retirement benefits were accruing to 2 directors (2019 - 1) in respect of defined contribution pension schemes.

The total remuneration of staff classed as key management during the year was £96,588 (2019 - £198,412).

9. Interest payable and similar expenses

	2020 £	As restated 2019 £
Bank interest payable	-	455,769
Other loan interest payable	848,691	447,052
	848,691	902,821

10. Taxation

	2020 £	2019 £
Foreign tax		
Foreign tax on income for the year	28,005	-
Total current tax	28,005	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	28,005	-

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	(3,759,929)	(2,182,444)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(714,387)	(414,664)
Effects of:		
Expenses not deductible for tax purposes	298,762	304,864
Fixed asset differences	4,377	5,935
Foreign tax credits	28,005	-
Other timing differences leading to an increase (decrease) in taxation	59,487	26,404
Adjustments to deferred tax rates	(150,515)	8,154
Deferred tax not recognised	502,276	69,307
Total tax charge for the year	28,005	-

Factors that may affect future tax charges

The corporation and deferred tax balances have been calculated based on the expected future tax rate, substantively enacted at the balance sheet date, of 19%. Since the balance sheet date it has been announced that the corporation tax rate in the UK will increase to 25%, effective from 1 April 2023.

11. Exceptional items

	2020 £	2019 £
Costs associated with Covid-19	6,903	-
Redundancy costs	9,146	-
Costs associated with closure of subsidiary	37,124	-
Exceptional legal fees	6,201	-
Restructuring costs	-	33,094
Costs associated with onerous lease	6,891	4,329
Costs associated with start up of overseas subsidiaries	3,500	17,020
Other exceptional items	8,865	-
	78,630	54,443

12. Intangible assets

Group

	Goodwill £
Cost	
At 1 January 2020	15,024,541
Additions	63,938
At 31 December 2020	15,088,479
Amortisation	
At 1 January 2020	7,962,320
Charge for the year on owned assets	1,502,454
At 31 December 2020	9,464,774
Net book value	
At 31 December 2020	5,623,705
At 31 December 2019	7,062,221

13. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent company for the year was £ NIL (2019 - £ NIL).

14. Tangible fixed assets

Group

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
At 1 January 2020	221,151	1,438,580	10,782	300,091	921,396	2,892,000
Additions	-	86,381	-	-	47,286	133,667
At 31 December 2020	221,151	1,524,961	10,782	300,091	968,682	3,025,667
Depreciation						
At 1 January 2020	199,140	1,157,528	10,782	281,566	849,483	2,498,499
Charge for the year on owned assets	10,029	123,355	-	921	47,377	181,682
At 31 December 2020	209,169	1,280,883	10,782	282,487	896,860	2,680,181
Net book value						
At 31 December 2020	11,982	244,078	-	17,604	71,822	345,486
At 31 December 2019	22,011	281,052	-	18,525	71,913	393,501

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	10,963,690
At 31 December 2020	10,963,690

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Lionel Midco Limited	Holding company	Ordinary	100%
Lionel Bidco Limited	Management company	Ordinary	100%
Rigmar Services Limited	Supply of engineering works and non-destructive testing on oil rigs and civil engineering projects	Ordinary	100%
Interocean Marine Services Limited	Marine consultancy and offshore services to the worldwide oil and gas renewables market	Ordinary	100%
Rigmar Fabrication Limited	In liquidation	Ordinary	100%
Interocean Marine Services (Canada) Incorporated	Marine consultancy and offshore services to the worldwide oil and gas renewables market	Ordinary	100%
Rigmar Middle East Oil Field Services L.L.C	Consultancy and offshore services to the worldwide oil and gas market	Ordinary	100%
Rigmar Marine Consultancy DMCC	Marine consultancy and offshore services to the worldwide oil and gas market	Ordinary	100%
Sphere Offshore Solutions Inc	Consultancy and offshore services to the worldwide oil and gas market	Ordinary	100%
Terraocean Limited	Renewables company	Ordinary	100%

All investments are held via Lionel Midco Limited.

15. Fixed asset investments (continued)

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Lionel Midco Limited	10,963,690	-
Lionel Bidco Limited	7,057,331	-
Rigmar Services Limited	(12,845,286)	(2,101,708)
Interocean Marine Services Limited	3,787,186	(993,499)
Rigmar Fabrication Limited	(1,322,472)	-
Interocean Marine Services (Canada) Incorporated	(182,224)	12,948
Rigmar Middle East Oil Field Services L.L.C	(151,195)	(37,112)
Rigmar Marine Consultancy DMCC	(163,191)	(163,188)
Sphere Offshore Solutions Inc	(13,325)	(13,354)
Terraocean Limited	-	-

16. Debtors

	Group 2020 £	Group As restated 2019 £	Company 2020 £	Company As restated 2019 £
Due after more than one year				
Trade debtors	169,597	169,597	-	-
Amounts owed by group undertakings	-	-	12,845,028	12,521,969
Due within one year				
Trade debtors	1,778,378	4,103,335	-	-
Amounts owed by related parties	179,185	-	-	-
Other debtors	339,997	734,766	2,961	2,961
Prepayments and accrued income	478,189	1,274,682	-	-
	2,945,346	6,282,380	12,847,989	12,524,930

The amounts owed by group undertakings relate to unsecured intercompany loan notes. Interest is charged at 5% per annum. The loan notes are repayble at par on 31 December 2021. The loan note holders can request repayment at certain specified dates prior to 31 December 2021. These loan notes are subject to an inter creditor agreement between the loan lender and group companies, the terms of which prevent any repayment of loan notes if such payment would constiture a breach in terms of the inter creditor agreement.

17. Cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash at bank and in hand	1,462,262	1,180,217
	1,462,262	1,180,217

18. Creditors: Amounts falling due within one year

	Group 2020 £	Group As restated 2019 £	Company 2020 £	Company As restated 2019 £
Bank loans	23,002	-	-	-
Other loans	100,000	100,000	100,000	100,000
Trade creditors	728,018	2,136,663	-	-
Corporation tax	6	-	-	-
Other taxation and social security	512,423	432,751	-	-
Obligations under finance lease and hire purchase contracts	22,464	22,464	-	-
Other creditors	348,264	479,972	-	-
Accruals and deferred income	3,797,230	3,113,143	1,381,637	1,058,578
	5,531,407	6,284,993	1,481,637	1,158,578

19. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group As restated 2019 £	Company 2020 £	Company As restated 2019 £
Other loans	12,166,774	12,166,774	5,241,170	5,241,170
	12,166,774	12,166,774	5,241,170	5,241,170

Loan A of £3m is repayable in quarterly instalments commencing March 2019 until 30 November 2021. Interest is charged at Libor plus 3.75% per annum.

The other loan facility (Loan B) of £3.6m, is repayable in full on 30 November 2021. Interest is charged at Libor plus 3% per annum.

Both loans are secured by a bond and floating charge over all assets of the company.

Included in other loans are unsecured loan notes of £2.5m and £299k which are due to be repaid by 31 December 2021. The loan note holders are entitled to demand payment on certain specified dates prior to 31 December 2021 but any such payment request will not be made if it constitutes a breach of the inter creditor agreement between the company and its lender. Interest is charged on these loan notes at 5% per annum.

£1,525,000 of convertible 6.5% fixed rate secured loan notes, which are included in other loans, were issued during 2016 and 2017 and are repayable on 31 December 2021.

Further loan notes totalling £1,216,170, which are included in other loans, were issued in 2019 and are repayable on 31 December 2021. Interest is charged on these loan notes at 6.5% per annum.

The group's debt is due for repayment in November and December 2021. The group's facility funders have provided a non-enforcement letter to the group, agreeing not to enforce the facility agreements until February 2023. Pursuant to the non-enforcement letters, the other loan noteholders have also agreed not to pursue repayment of the loan notes until February 2023.

20. Loans

Analysis of the maturity of loans is given below:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts falling due within one year				
Bank loans	23,002	-	-	-
Other loans	100,000	100,000	100,000	100,000
	123,002	100,000	100,000	100,000
Amounts falling due 1-2 years				
Other loans	12,166,774	12,166,774	5,241,170	5,241,170
	12,166,774	12,166,774	5,241,170	5,241,170
Amounts falling due 2-5 years				
	12,289,776	12,266,774	5,341,170	5,341,170

21. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets				
Financial assets measured at fair value through profit or loss	1,462,262	1,180,217	-	-
Financial assets that are debt instruments measured at amortised cost	2,787,089	6,117,460	12,847,989	9,939,930
	4,249,351	7,297,677	12,847,989	9,939,930
Financial liabilities				
Financial liabilities measured at amortised cost	(17,096,696)	(17,291,412)	(6,722,807)	(6,399,748)

Financial assets measured at fair value through profit or loss comprise cash at bank.

Financial assets that are measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, other creditors, amounts owed by group undertakings and bank overdrafts.

22. Deferred taxation

Tax losses are available to carry forward. The deferred tax asset on these losses has not been recognised due to uncertainty over its future recoverability.

23. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
10,964 (2019 - 10,964) A Ordinary shares of £1.00 each	10,964	10,964
2,680 (2019 - 2,680) B Ordinary shares of £1.00 each	2,680	2,680
550 (2019 - 550) D Ordinary shares of £1.00 each	550	550
1,718 (2019 - 1,718) M1 shares of £1.00 each	1,718	1,718
743 (2019 - 743) M2 shares of £1.00 each	743	743
3,443 (2019 - 3,443) Preferred shares of £1.00 each	3,443	3,443
	20,098	20,098

24. Prior year adjustments

A prior period adjustment has been made to reflect a correction to the amount of external loan notes issued by the company and the intercompany loan notes for the year ended 31 December 2019. This resulted in an increase in other loans of £2,500,000 and an increase in the amounts owed by group undertakings debtor of £2,500,000. This adjustment has no effect on the prior year profit or net assets. This adjustment also has no effect on the consolidated group loss or net liabilities in 2019 or 2020.

A prior period adjustment was also made to recognise the corresponding interest due on the external loan notes mentioned above. This interest had been incorrectly shown as interest received in the company and consolidated financial statements instead of interest accrued. The effect of the adjustment was to reduce company and group profits by £140,000 in 2019, recognise an accrual of £705,140 and reduce opening reserves by £565,140.

25. Pension commitments

The group contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £86,216 (2019 - £77,211). Contributions of £nil (2019 - £nil) were payable to the fund at the period end and are included in creditors.

26. Securities

The company has provided a cross guarantee to Lionel Midco Limited, Lionel Bidco Limited, Rigmar Services Limited, Interocean Marine Services Limited and Rigmar Fabrication Limited which is supported by a bond and floating charge over all assets of the group in respect of indebtedness under the group funding facilities.

As 31 December 2020 the total indebtedness in respect of this guarantee was £6,625,205 (2019 - £6,625,205).

The company has provided a second ranking floating charge over all assets of the group in respect of the indebtedness under the £1,525,000 of convertible loan notes issued during 2016 and 2017.

27. Commitments under operating leases

At 31 December 2020 the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £
Not later than 1 year	234,000	234,000
Later than 1 year and not later than 5 years	528,375	762,375
Total	762,375	996,375

The company had no commitments under the non-cancellable operating leases as at the reporting date.

28. Related party transactions

Control

Throughout the year the company was controlled by the directors.

Transactions

The company has taken advantage of FRS 102 section 33 paragraph (a), which allows exemption from disclosure of related party transactions with other group companies.

The group had the transactions with related parties:

Related party	**Transaction**	**£**	**Balance at year end £**
Array Training Limited, A company with common directors	Purchases Sales	(8,120) 105,300	113,131
Leemoss Limited, A company in which K W Nelson is a director	Purchases	(182,021)	-
AFS Technologies Limited, A company with common directors	Sales	15,816	-
K W Nelson, Director	Loan	-	(79,073)

29. Post balance sheet events

The majority shareholders agreed to continue the standstill agreement on the group's loan repayment terms and covenants. No loan repayments or interest will be payable until February 2023 although interest will continue to accrue during this period.

30. Controlling party

The company's controlling party is EG Momentum L.P., a company incorporated in Guernsey.