

**Registered Number: SC122818**

**ATR Lifting Solutions Limited**

**Annual Report and Financial Statements  
For the Year Ended 31 December 2019**



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## Directors and Advisors

### Directors

Mr E Leask

### Secretary

Blackwood Partners LLP

Mr E Leask

### 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 (continued)

### 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 rental, infrastructure and support services to a number of end-markets including the energy, mining, infrastructure, power, environmental and renewable energy industries. The Group has a global reach with operations in key service locations: Canada, America, UK & Europe, Caspian, Australia and South East Asia.

During 2019, the director and shareholders carried out a review of the strategic options available to the Company in order to generate additional economies of scale, cost and revenue synergies and better position the business for market recovery. On 30 September 2019 the Company transferred acquired the trade and assets of 123456 Aberdeen Limited (formerly ATR Equipment Solutions Limited), a fellow group company.

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, mining, infrastructure, power, environmental and renewable sectors. The focus is on improving market recognition, adding more valuable services and getting closer to the customer through the development of stronger institutional relationships.

**Successful** refers to our commitment to safety, quality and to consistently delivering superior results vs 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 the Group's 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 hard working, 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 goal is to create a highly integrated Group that delivers innovative and differentiated solutions to our customers. Our strategy continues to evolve, and to maximise our chances of success, we continue to focus on our three strategic pillars:

- **Increase scale and diversification:** Accelerating our growth on the back of our market reach and improving core markets. Diversification at both a geographical and segmental level, but within adjacent scopes and specifically to augment cross-selling potential.
- **Accelerate our cross-selling and differentiation:** Continue to cross-sell to differentiate, provide more critical and more differentiated equipment and service packages.

## Strategic Report (continued)

### Business review (continued)

- **Add more technical and "greener" offerings:** Elevate our technical sophistication to differentiate and compete in more complex projects, while prioritising our ambition to actively participate in both the decarbonisation of the energy industry and the growth of the renewables sector.

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

2019 was the second full year for the enlarged Group, following the combination of Centurion 1 Limited with Oil Patch on 3 January 2018 and SITE Energy Services Partnership ("SITE") and 1844251 Alberta Limited ("WTS Rentals") on 29 December 2017. The combination created a market leading global rental, infrastructure and support services business with scale, segmental and geographic diversification that is EBITDA positive and cash generative and provides downside protection with upside potential.

The Group continued to pursue its long-term strategic initiatives described above, with particular focus on developing a strong culture with emphasis on Safety, Quality and Responsiveness, increasing cross-selling and bundling of offerings, increasing the pace of integration, conscious deployment of capital expenditure partial self-funded with disposals of under-utilised assets and incorporation of additional strategic acquisitions.

The Group's financial performance was strong reflecting the robust nature of the Centurion platform.

The Group continued to invest through 2019, with \$50m invested in capital equipment and acquisitions with a focus on technical and value add offerings to support customers and operations. The investment in technical and value add offerings continues to support the Group's strategy of increasing scale, segmental and geographic diversification.

The Group is organised into three business segments and four geomarkets:

#### Business Segments

- **Accommodation and Modular Solutions ("AMS"):** AMS delivered 45% of Group EBITDA in 2019 and operates three main sub-segment product and service lines: Accommodation & Ancillaries, Tanks & Containers, and Waste & Water Treatment.
- **Drilling, Completion and Production ("DCP"):** DCP accounted for 37% of Group EBITDA in 2019 and operates three main sub-segment service lines: Drilling & Completions, Production & Testing, and Subsea.
- **Infrastructure ("INF"):** INF delivered 18% of Group EBITDA in 2019 and operates three main sub-segment service lines: Access & Environmental, Piling & Foundations and Project Management.

#### Geomarkets

- **US Land ("USL"):** USL geomarket delivered 48% of Group EBITDA in 2019 and operates four main sub-segment product and services lines: Accommodation & Ancillaries, Waste & Water Treatment, Drilling & Completions and Production & Testing.
- **Canada Rentals & Services ("CRS"):** CRS geomarket delivered 11% of Group EBITDA in 2019 and operates three main sub-segment product and services lines: Accommodation & Ancillaries, Waste & Water Treatment and Drilling & Completions.
- **Canada Infrastructure ("CINF"):** CINF delivered 18% of Group EBITDA in 2019 and operates three main sub-segment service lines: Access & Environmental, Piling & Foundations and Project Management.

## Strategic Report (continued)

### Business review (continued)

- *Rest of World ("RoW")*: RoW delivered 23% of Group EBITDA in 2019 and operates three main sub-segment service lines: Accommodation & Ancillaries, Tanks & Containers, Waste & Water Treatment, Production & Testing.

The Group has also continued to build on the established track record of acquisition-led growth with the purchase of several businesses providing more technical, safer and environmentally friendly products and services:

- **Tango Delta Rentals Ltd**  
Purchase of 100% of the share capital of Tango Delta Rentals Ltd ("Tango Delta") on 11 February 2019; Tango provides rental of communication products and services.
- **Top Frac Industries LLC (trading as TotalFrac)**  
Purchase of trade and certain assets of Top Frac Industries LLC doing business as TotalFrac ("TotalFrac") on 17 May 2019; TotalFrac provides technical solutions for onshore energy production.
- **G5S Energy Services LLC**  
Purchase of 100% of the share capital of G5S Energy Services LLC ("G5S") on 18 October 2019; G5S provides safer technical solutions that control the flow of high pressure and corrosive fluids used in onshore energy production.
- **Osprey3 Limited**  
Purchase of 100% of the share capital of Abenco Ltd and its subsidiary Osprey3 Limited ("Osprey3") on 15 November 2019; Osprey3 provides environmental solutions and equipment that recycles water and other production and completion fluids used in energy production.

These acquisitions further enhance the Group's product and service capabilities and potential to deliver an efficient integrated solution with fewer interfaces for the customer.

On 20 December 2019 the Group extended its existing multi-currency Revolving Credit Facility by approximately \$20m taking the Group's total committed facilities to \$270m. The extended facility will be used for acquisitions, capital expenditure and working capital requirements. On 3 November 2020, the term of the credit facility was extended from 31 December 2021 to 31 December 2022 with the existing consortium of banks comprising, Amegy Bank National Association, ATB Financial, Clydesdale Bank, HSBC plc, Iberia Bank Corporation, Royal Bank of Scotland plc and Wells Fargo Bank NA. The extended facilities are required to be repaid over a longer term and provide the Group with \$70.5m 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.

The Group's net debt (comprising gross debt excluding exchangeable shares and unamortised issue costs less cash) at 31 December 2019 was \$158.9m, \$1.9m lower than the prior year despite a \$50m investment in capital equipment and acquisitions. Group net debt to adjusted EBITDA leverage ratio before exceptional and adjusting items is 2.56x at 31 December 2019 compared to 2.28x at 31 December 2018.

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.

## Strategic Report (continued)

### Business review (continued)

The Company's revenue for the year ending 31 December 2019 increased to £14,623k (2018: £13,580k). Gross Profit increased from £2,297k to £2,719k with Gross Profit percentage increasing to 19%. EBITDA, prior to exceptional and adjusting items, increased from £142k to £580k.

The net liability position of the Company at 31 December 2019 is £4,246k (31 December 2018: £3,235k)

The directors do not recommend a final dividend (2018: £nil)

### Future developments

The Group has cash and cash resources of \$24.1m, and the ability to draw down a further \$70.5m of debt funding under the existing Revolving Credit Facility ("RCF") as of the date of this report to fund continuing investment in capital equipment, acquisitions and working capital.

As a result, the Company and the Group is well positioned to enhance its position as a global leader in the supply of critical rental, infrastructure and support services to a number of end-markets including the energy, mining, infrastructure, power, environmental and renewable energy industries and to continue to remain a strong and robust platform ideally positioned to capitalise on market conditions.

The Company and Group is focussed on continuing to build a highly integrated business that combines the Group's global strengths with a strong local presence to become more globally recognised, but also more locally relevant across all its markets.

The COVID-19 pandemic presents a challenge to all businesses including the Company and the Group. The Directors consider the implications of COVID-19 to be a subsequent event occurring after the balance sheet date of 31 December 2019, which is discussed further in *Principal risks and uncertainties*.

### Principal risks and uncertainties

The director considers 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 presents a challenge to all businesses including the Company and the Group. The director considers the implications of COVID-19 to be a subsequent event occurring after the balance sheet date of 31 December 2019, and which is therefore a non-adjusting event to the Company.

The COVID-19 pandemic presents a challenge to all businesses including the Company and 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 include, but are not limited to, global 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 are following government and regional guidelines closely in the locations that we operate in. This advice has included migrating all non-critical office-based workforce globally to work from home, wherever possible, leveraged off the Group's investment in IT services. The Group has put in place effective social distancing measures across all key operational bases to ensure key employees can operate and work effectively. 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 customers employees, suppliers and assets.

## Strategic Report (continued)

### Principal risks and uncertainties (continued)

#### **COVID-19 Virus (continued)**

The COVID-19 pandemic and lower global economic activity levels are having an adverse impact on the Company and Group's customers in 2020. Management have taken proactive steps to systematically reduce the direct and indirect cost base to mitigate reduced revenues and have focussed on cash generation through active working capital management

The Group is confident that the measures already taken and will continue to take, together with its financial strength, including cash and cash reserves of \$24.1m, and the ability to draw down a further \$70.5m of debt funding under the existing Revolving Credit Facility, as of the date of this report results, provide a solid foundation for the future success of the Company and Group.

#### **Geographical, political and fiscal risks**

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

The Group generates approximately 2% of its revenues from EU, excluding the UK, and as such does not believe that the UK's departure from the EU will have a material impact on the Group's performance.

#### **Operational risks**

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

- Health, safety & welfare risks arise from the nature of the services provided and the locations in which these are undertaken. The welfare of personnel is paramount and careful research is undertaken before individuals are deployed to locations, including assessing the level of support that customers will provide. The Company has an uncompromising commitment to health, safety and welfare.
- Operational contracting risks arise from the nature of agreements with some customers, 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 Company operates in harsh environments and contract outcomes can be adversely affected by extreme weather conditions.

#### **Commodity price volatility**

Reduction in the price of energy 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 Director's Report on page 9.



## Strategic Report (continued)

### 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. The Group has cash and cash reserves of \$24.1m, and the ability to draw down a further \$70.5m of debt funding under the existing RCF subject to customary bank covenants and credit agreement conditions. In November 2020 the Group extended its existing bank facilities to 31 December 2022. Having assessed the financial position and trading prospects for the Group, including possible downside scenarios as a result of COVID-19, through the going concern period, the director has developed a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Additionally, the director has, 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 going concern basis of accounting continued to be adopted in the preparation of the financial statements.

### Events after the balance sheet date

On 3 November 2020, the term of the Group's credit facility was extended from 31 December 2021 to 31 December 2022 with the existing consortium of banks comprising, Amegy Bank National Association, ATB Financial, Clydesdale Bank, HSBC plc, Iberia Bank Corporation, Royal Bank of Scotland plc and Wells Fargo Bank NA. The extending facilities are required to be repaid over a longer term and provide the Group with \$70.5m of undrawn facilities as at the date of this report for acquisitions, capital expenditure and working capital.

The COVID-19 pandemic presents a challenge to all businesses including the Company and Group. The COVID-19 pandemic and lower global economic activity levels are having an adverse impact on the Group's customers in 2020. Management have taken proactive steps to systematically reduce the direct and indirect cost base of the Group to mitigate reduced revenues and have focussed on cash generation through active working capital management.

These events are considered by the director as a non-adjusting post balance sheet event. The director has given consideration to the post year end trading results of the Company and has developed a reasonable expectation that certain non-current assets held as at 31 December 2019 are not exposed to impairment in the year ended 31 December 2020.

### Director's statement in performance of their duties under Section 172(1)

The director considers that they have acted in the way they consider, in good faith, to be most likely to promote the success of the Company and the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year.

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

## Strategic Report (continued)

### Director's statement in performance of their duties under Section 172(1) (continued)

#### **Employees**

The Company's employees are a key component and asset of the business.

All 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 contract 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 Company benefits from the Group's established employee intranet, Centurion Connect, to further improve the dissemination of information and encourage greater collaboration across its workforce.

#### **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 that 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.

#### **Impact on community and environment**

The Company and Group continues to be 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 greener:* through reducing, reusing and recycling waste, water and power usage in our operations.
- *helping our customers become greener:* helping our customers on their decarbonisation journey to zero emissions by providing more environmental solutions.
- *strengthen community relationships:* our goal is to build trust and respect whilst providing sustainability and economic opportunities in the communications in which we operate.

#### **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 Group's clients, staff, suppliers and the communities in which it operates in. The Group's Business Ethics and Conduct Policy and the 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 Company and 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  
24 June 2021

## Director's Report

The director presents his annual report and the financial statements for the year ended 31 December 2019.

Information on the principle 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 8.

### Directors

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

Mr E Leask

Mr K Moorhouse (resigned 16 August 2019)

Mr J Blair (appointed 16 August 2019 and resigned 16 March 2020)

### Director's indemnities

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

### Charitable and Political donations

There were no charitable or political donations during 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.

### Dividends

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

## Director's Report (continued)

### Auditor

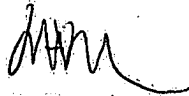
The director at the date of approval of this report confirms that:

- (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 LLP have indicated 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:



Mr E Leask

Director

24 June 2021

## Director's Responsibilities Statement

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the director is 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 director is 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**

**to the members of ATR Lifting Solutions Limited**

### **Report on the audit of the financial statement**

#### **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 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

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

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

We have nothing to report in respect of these matters.

## **Independent Auditor's Report (Continued)**

**to the members of ATR Lifting Solutions Limited**

### **Other information**

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

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

We have nothing to report in respect of these matters.

### **Responsibilities of directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

## **Independent Auditor's Report (Continued)**

**to the members of ATR Lifting Solutions Limited**

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

In the light of the knowledge and understanding of the 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.

#### **Use of our report**

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

*L Cowie*

Lyn Cowie (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Aberdeen, United Kingdom  
25 June 2021



## Income Statement

For the year ended 31 December 2019

	Notes	2019 £000	2018 £000
Revenue	4	14,623	13,580
Cost of sales		(11,904)	(11,823)
Gross profit		2,719	2,297
Administrative expenses		(2,943)	(2,633)
Operating loss	5	(224)	(336)
Finance expense and similar charges	6	(303)	-
Loss before taxation		(527)	(336)
Taxation	8	(9)	-
Loss for the year		(536)	(336)
Other comprehensive income		-	-
Total comprehensive loss for the year		(536)	(336)

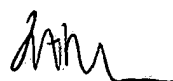
The result for the current and prior year is derived from continuing operations.

## Statement of Financial Position

As at 31 December 2019

	Notes	2019 £000	2018 £000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	593	692
Right of use assets	10	5,472	-
Goodwill	11	6	-
<b>Total non-current assets</b>		<b>6,071</b>	<b>692</b>
<b>CURRENT ASSETS</b>			
Inventories	12	845	977
Trade and other receivables	13	4,668	2,990
Amounts owed by group companies	13	1,158	1,331
Cash at bank and in hand		127	58
Corporation tax receivable		-	10
<b>Total current assets</b>		<b>6,798</b>	<b>5,366</b>
<b>Total assets</b>		<b>12,869</b>	<b>6,058</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	(4,199)	(2,948)
Amount owed to group companies	14	(6,626)	(6,234)
Lease liability	10	(278)	-
<b>Total current liabilities</b>		<b>(11,103)</b>	<b>(9,182)</b>
<b>Net current liabilities</b>		<b>(4,305)</b>	<b>(3,816)</b>
<b>Total assets less current liabilities</b>		<b>1,766</b>	<b>(3,124)</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	15	(196)	(111)
Lease liability	10	(5,816)	-
<b>Total non-current liabilities</b>		<b>(6,012)</b>	<b>(111)</b>
<b>Net liabilities</b>		<b>(4,246)</b>	<b>(3,235)</b>
<b>EQUITY</b>			
Called-up share capital	17	105	105
Capital redemption reserve	17	104	104
Accumulated losses	17	(4,455)	(3,444)
<b>Shareholders' deficit</b>		<b>(4,246)</b>	<b>(3,235)</b>

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



Mr E Leask  
Director  
24 June 2021

## Statement of Changes in Equity

For the year ended 31 December 2019

	Called-up share capital	Capital redemption reserve	Accumulated losses	Total
	£000	£000	£000	£000
Balance at 1 January 2018	105	104	(3,108)	(2,899)
Loss and total comprehensive loss for the year	-	-	(336)	(336)
Balance at 31 December 2018	105	104	(3,444)	(3,235)
Adjustment on initial application of IFRS 16 (note 2.3)	-	-	(475)	(475)
Adjusted balance at 1 January 2019	105	104	(3,919)	(3,710)
Loss and total comprehensive loss for the year	-	-	(536)	(536)
Balance at 31 December 2019	105	104	(4,455)	(4,246)

## Notes to the Financial Statements

For the year ended 31 December 2019

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

### 2. Significant accounting policies

The principal accounting policies are set out below.

#### 2.1 Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party 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 21.

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

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. The Group has cash and cash reserves of \$24.1m, and the ability to draw down a further \$70.5m of debt funding under the existing RCF subject to customary bank covenants and credit agreement conditions. In November 2020 the Group extended its existing bank facilities to 31 December 2022. Having assessed the financial position and trading prospects for the Group, including possible downside scenarios as a result of COVID-19, through the going concern period, the director has developed a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Additionally, the director has, 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 going concern basis of accounting continued to be adopted in the preparation of the financial statements.

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 2. Significant accounting policies (continued)

#### 2.3 Adoption of new revised standards

##### 2.3.1 New and revised standards adopted in the period

In the current year, the Company has adopted a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for annual periods that begin on or after 1 January 2019. Their adoption has not had any impact on the disclosures or on the amounts reported in these financial statements. The standards adopted are:

#### **IFRS 16 Leases**

In the current year, the Company, has adopted IFRS 16 Leases (as issued by the IASB in January 2016), with a date of initial application of 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in Note 2.10. The impact of the adoption of IFRS 16 on the Company's financial statements is described below.

The Company has adopted IFRS 16 on 1 January 2019, using the modified retrospective approach. The cumulative effect of adopting IFRS 16 is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Company has recognised new assets and liabilities for its operating leases of property, vehicles, equipment and IT equipment. The nature of expenses related to those leases has changed because the Company now recognises a depreciation charge for right of use assets and interest expense on lease liabilities. Previously, the Company recognised operating lease charges on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous, and instead performs an impairment assessment on the right of use assets.

On transition to IFRS 16, the Company recognised a right of use assets and lease liabilities, recognising the difference in retained earnings. The impact is summarised below:

At 1 January 2019	£000
Right of use assets recognised (note 10)	5,989
Lease liabilities recognised (note 10)	(6,380)
Long-term provisions	(85)
Trade and other receivables	1
<b>Opening reduction to retained earnings</b>	<b>(475)</b>

When measuring liabilities for leases that were classified as operating leases, the Company discounted payments using its incremental borrowing rate ("IBR") as at 1 January 2019. The IBR ranged from 4.07% to 8.93%. Right of use assets were measured at their carrying amount as if IFRS 16 had been applied since commencement date, discounted at the Company's IBR at the date of transition.

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 2. Significant accounting policies (continued)

#### 2.3 Adoption of new revised standards (continued)

##### IFRS 16 Leases (continued)

Reconciliation of lease liabilities:

At 1 January 2019	£000
Operating lease commitment at 31 December 2018	7,465
Impact of discounting	(1,085)
<b>Lease liability recognised at 1 January 2019</b>	<b>6,380</b>

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- the Company has applied the exemption not to recognise right of use assets and liabilities for property leases with less than 12 months of lease term;
- the Company has applied the exemption not to recognise right of use assets and liabilities for long-term operating leases with a remaining lease term of 12 months or less at 1 January 2019;
- The Company applies a single discount rate to a portfolio of leases with reasonably similar characteristics;
- The Company relies on previous assessments on whether leases are onerous;
- The Company has applied the exemption not to recognise right of use assets and liabilities for low value assets;
- The Company has excluded initial direct costs in measuring the right of use asset at the date of initial application; and
- The Company has used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

### 2.4 Revenue recognition

#### 2.4.1 Revenue from hire of equipment and personnel

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

#### 2.4.2 Revenue from labour and inspection

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

#### 2.4.3 Revenue from sale of equipment

Revenue from the sale of equipment is recognised at a point in time when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the equipment;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the equipment sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 2.5 Foreign currencies

#### 2.5.1 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.

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 2. Significant accounting policies (continued)

#### 2.5 Foreign currencies (continued)

##### 2.5.2 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.

#### 2.6 Retirement benefit costs

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

#### 2.7 Taxation

##### 2.7.1 Current tax

The tax currently payable 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.

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

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 2. Significant accounting policies (continued)

#### 2.7 Taxation (continued)

##### 2.7.3 Current and deferred tax

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

#### 2.8 Property, plant and equipment

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

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

Leasehold land and buildings	lower of 25 years or lease period
Hire fleet	1 to 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 on a net basis.

#### 2.9 Right of use asset

The right of use assets comprise the initial measurement of the corresponding lease liability (see note 2.10), 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 2.16.

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.



## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 2. Significant accounting policies (continued)

#### 2.10 Leases

##### 2.10.1 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 £6,500). 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.

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.

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 2. Significant accounting policies (continued)

#### 2.10 Leases (continued)

##### 2.10.2 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.

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.

#### 2.11 Inventories

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

#### 2.12 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.

#### 2.13 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.

##### 2.13.1 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.

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 2. Significant accounting policies (continued)

#### 2.13 Financial instruments (continued)

##### 2.13.1 Financial assets (continued)

##### *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.

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.

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 2. Significant accounting policies (continued)

#### 2.13 Financial instruments (continued)

##### 2.13.1 Financial assets (continued)

##### *Amortised cost and effective interest method (continued)*

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") trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The 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.

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 2. Significant accounting policies (continued)

#### 2.13 Financial instruments (continued)

##### *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 1 year past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### *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 Company'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.

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 2. Significant accounting policies (continued)

#### 2.13 Financial instruments (continued)

##### *Derecognition of financial assets (continued)*

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.

#### 2.14 Financial liabilities and equity instruments

##### 2.14.1 Classification of debt or equity

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

##### 2.14.2 Equity instruments

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

##### 2.14.3 Financial liabilities

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

##### 2.14.4 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.

##### 2.14.5 Derecognition of financial liabilities

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

#### 2.15 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.

#### 2.16 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.

#### 2.17 Impairment

##### 2.17.1 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 2019

### 2. Significant accounting policies (continued)

#### 2.15 Impairment (continued)

##### 2.17.2 Recoverable amount

Recoverable amount is the higher of fair value less costs to dispose and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

##### 2.17.3 Subsequent reversal of impairment

Where an impairment loss for tangible assets subsequently reverses, the carrying amount of the asset 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.

### 3. Key sources of estimation uncertainty and critical judgments

In the application of the Company's accounting policies, outlined in note 2, the director is 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 2019

### 4. Revenue

#### Analysis by category

	2019 £000	2018 £000
Hire of equipment	5,662	4,000
Sale of goods	6,634	7,343
Labour & Inspection	2,327	2,236
Other	-	1
	<b>14,623</b>	<b>13,580</b>

#### Analysis by geography

	2019 £000	2018 £000
United Kingdom	13,000	12,071
Other	1,623	1,509
	<b>14,623</b>	<b>13,580</b>

### 5. Operating loss for the year

	Notes	2019 £000	2018 £000
Loss from operating activities is stated after charging/(crediting):			
Employee benefit expense	7	3,523	3,350
Depreciation of property, plant and equipment	9	287	478
Depreciation of right of use asset	10	517	-
Operating lease expense		-	668
Inventory expense		6,168	6,421
Foreign exchange loss			
- Realised		17	17
Profit on disposal of property, plant and equipment		(142)	(37)
Auditors' remuneration			
- Audit		8	30

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.

### 6. Finance expense and similar charges

	2019 £000	2018 £000
Interest on leases	303	-
<b>Total</b>	<b>303</b>	<b>-</b>



## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 7. Employee benefit expense

	2019 £000	2018 £000
Wages and salaries	3,125	2,989
Social security costs	308	287
Other pension costs	90	74
	<b>3,523</b>	<b>3,350</b>

	2019 No.	2018 No.
Average monthly number of employees during the year was:		
Operations	79	85
Sales and administration	24	18
	<b>103</b>	<b>103</b>

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

### 8. Taxation

	2019 £000	2018 £000
<b>Current tax</b>		
Current year	-	-
Adjustments recognised in the current year in respect of prior year tax	6	-
Withholding taxed and unrelieved overseas taxes	3	-
<b>Total current tax charge</b>	<b>9</b>	<b>-</b>
<b>Deferred tax</b>		
Current year	-	-
<b>Total deferred tax charge</b>	<b>-</b>	<b>-</b>
<b>Total income tax</b>	<b>9</b>	<b>-</b>
<b>Reconciliation of income tax expense</b>		
The income tax expense for the year is reconciled to the accounting (loss) as follows:		
Loss before taxation	(527)	(336)
Loss before taxation multiplied by standard rate of UK corporation tax of 19% (2018: 19%)	(100)	(64)
Effects of:		
Expenses not deductible	2	2
Group relief for nil consideration	300	215
Unrecognised deferred tax asset	(202)	(153)
Adjustments recognised in the current year in respect of prior year tax	6	-
Withholding taxed and unrelieved overseas taxes	3	-
<b>Current tax charge for the year</b>	<b>9</b>	<b>-</b>

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 8. Taxation (continued)

Finance Act 2016 enacted provisions to reduce the main rate of UK corporation tax from 20% to 19% from 1 April 2017 and reduce from 19% to 17% from 1 April 2020. Following the enactment of Finance Act 2020 on 22 July 2020, the UK corporation tax rate has been maintained at 19% from 1 April 2020. On 3 March 2021 the UK Budget announced a further change, increasing the UK corporation tax rate to 25% from 1 April 2023. Given that these changes have occurred after the balance sheet date, the enacted tax rates of 19% and 17% have been applied at the balance sheet date.

At 31 December 2019 a deferred tax asset arising from timing differences and losses of £11,765k (2018: £12,986k) has not been recognised as its recoverability is subject to future profitability and is uncertain. Tax losses may be carried forward indefinitely.

### 9. Property, plant and equipment

	Hire Fleet £000	Leasehold land and buildings £000	Plant & Machinery £000	Total £000
<b>Cost</b>				
At 1 January 2019	7,369	429	2,386	10,184
Additions	-	-	4	4
Transfers	3,973	60	953	4,986
Disposals	(809)	-	(461)	(1,270)
<b>At 31 December 2019</b>	<b>10,533</b>	<b>489</b>	<b>2,882</b>	<b>13,904</b>
<b>Depreciation</b>				
At 1 January 2019	6,940	297	2,255	9,492
Transfers	3,735	60	948	4,743
On disposals	(790)	-	(421)	(1,211)
Charge for the year	211	33	43	287
<b>At 31 December 2019</b>	<b>10,096</b>	<b>390</b>	<b>2,825</b>	<b>13,311</b>
<b>Net book value</b>				
<b>At 31 December 2019</b>	<b>437</b>	<b>99</b>	<b>57</b>	<b>593</b>
<b>At 31 December 2018</b>	<b>429</b>	<b>132</b>	<b>131</b>	<b>692</b>

Transfers comprise the property, plant and equipment acquired on 30 September 2019, from a related company, 123456 Aberdeen Limited (formerly ATR Equipment Solutions Limited), in a transaction to acquire the trade and assets of the entity.

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

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 10. Leases

Right of use asset	Offices and buildings £000	Vehicles £000	Equipment £000	Total £000
<b>Cost</b>				
Initial application of IFRS 16	7,267	146	411	7,824
Additions	-	-	-	-
Disposals	-	(24)	-	(24)
<b>Balance at 31 December 2019</b>	<b>7,267</b>	<b>122</b>	<b>411</b>	<b>7,800</b>
<b>Accumulated depreciation</b>				
Initial application of IFRS 16	1,441	105	289	1,835
Charge for the year	402	33	82	517
Disposals	-	(24)	-	(24)
<b>Balance at 31 December 2019</b>	<b>1,843</b>	<b>114</b>	<b>371</b>	<b>2,328</b>
<b>Net book value</b>				
<b>At 31 December 2019</b>	<b>5,424</b>	<b>8</b>	<b>40</b>	<b>5,472</b>
<b>At 1 January 2019</b>	<b>5,826</b>	<b>41</b>	<b>122</b>	<b>5,989</b>

Operating lease liabilities	Offices and buildings £000	Vehicles £000	Equipment £000	Total £000
Initial application of IFRS 16	6,211	37	132	6,380
Additions	-	-	-	-
Disposals	-	-	-	-
Interest expense	298	1	4	303
Repayment of lease liability	(462)	(35)	(92)	(589)
<b>Balance at 31 December 2019</b>	<b>6,047</b>	<b>3</b>	<b>44</b>	<b>6,094</b>

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

	2019 £000
<b>Lease Liabilities</b>	
Current	278
Non-Current	5,816
<b>Total</b>	<b>6,094</b>

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

	2019
Depreciation charge for right of use assets	
- Offices and buildings	402
- Vehicles	33
- Equipment	82
- IT Equipment	-
<b>Charged to operating profit</b>	<b>517</b>
Interest expense related to lease liabilities	303
<b>Charge to profit / (loss) before tax</b>	<b>820</b>

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 10. Leases (continued)

The Company leases various properties, vehicles and equipment. The majority of the lease liabilities relates to properties with leases generally entered into for fixed periods. Some leases have extension options as described below. Lease terms are negotiated 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. Previously, leases of property, plant and equipment were classified as either finance or operating leases. From 1 January 2019, leases are recognised as a right of use asset and a corresponding liability, once the asset is available for use by the Company.

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

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.

### 11. Goodwill

	£000
At 1 January 2019	-
Additions	6
<b>At 31 December 2019</b>	<b>6</b>
At 31 December 2018	-

On 30 September 2019 the Company purchased the trade and certain assets of 123456 Aberdeen Limited (formerly ATR Equipment Solutions Limited). The fair value of the total consideration is £760k, mainly relating to property, plant and equipment and inventory.

The 123456 Aberdeen Limited (formerly ATR Equipment Solutions Limited) business activities have been absorbed into the Company, and performance is not monitored separately. Accordingly, the results for the period from acquisition to year end are not shown separately.

### 12. Inventories

	2019 £000	2018 £000
Finished goods and goods for resale	976	1,147
Provision for Obsolete Inventory	(131)	(170)
	<b>845</b>	<b>977</b>

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 13. Trade and other receivables

	2019 £000	2018 £000
Trade debtors	3,619	2,528
Prepayments and accrued income	905	446
Other debtors	144	16
	<b>4,668</b>	<b>2,990</b>

Amounts due from Group companies of £1,158k (2018: £1,331k) are non-interest bearing and have no formal repayment terms.

### 14. Trade and other payables

	2019 £000	2018 £000
Trade creditors	3,203	2,272
Other taxes and social security costs	195	292
Accruals and deferred income	788	375
Other creditors	13	9
	<b>4,199</b>	<b>2,948</b>

Amounts due to Group companies of £6,626k (2018: £6,234k) are non-interest bearing and have no formal repayment terms.

### 15. Provisions

	Dilapidations Provision £000
Balance at 1 January 2019	111
Movement in year	85
<b>Balance at 31 December 2019</b>	<b>196</b>

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

### 16. Retirement benefit plans

#### Defined contribution

The Company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £11k (2018: £10k) were payable to the fund at the year end.

	2019 £000	2018 £000
Contributions payable by the Company for the year	90	74

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 17. Share capital and reserves

	2019 £000	2018 £000
Allotted, called up and fully paid 105,000 Ordinary Shares of £1 each	105	105

### Capital redemption reserve

	2019 £000	2018 £000
Balance at 1 January and 31 December 2019	104	104

### Accumulated losses

	2019 £000	2018 £000
Balance at beginning of year	(3,444)	(3,108)
IFRS 16 adjustment	(475)	-
Loss for the year	(536)	(336)
Balance at end of year	(4,455)	(3,444)

### 18. Financial commitments

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

	Land & buildings		Other	
	31 December 2019 £000	31 December 2018 £000	31 December 2019 £000	31 December 2018 £000
Operating leases which expire:				
Not later than one year	-	498	-	130
Later than one year and not later than 5 years	-	1,912	-	58
Later than 5 years	-	4,867	-	-
	-	7,277	-	188

### 19. 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.

### 20. Contingent liability

The Company is party to Group borrowing facilities and arrangements. Under these arrangements, the Group has pledged its shares in the subsidiaries and granted a debenture over its assets. The outstanding amount under the borrowing facilities at 31 December 2019 was £137m (\$186m) (2018 - £130m (\$167m)).

### 21. Controlling party

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

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

## Notes to the Financial Statements (continued)

For the year ended 31 December 2019

### 22. Events after the balance sheet date

On 3 November 2020, the term of the Group's credit facility was extended from 31 December 2021 to 31 December 2022 with the existing consortium of banks comprising, Amegy Bank National Association, ATB Financial, Clydesdale Bank, HSBC plc, Iberia Bank Corporation, Royal Bank of Scotland plc and Wells Fargo Bank NA. The extending facilities are required to be repaid over a longer term and provide the Group with \$70.5m of undrawn facilities as at the date of this report for acquisitions, capital expenditure and working capital.

The COVID-19 pandemic presents a challenge to all businesses including the Group. The COVID-19 pandemic and lower global economic activity levels are having an adverse impact on the Group's customers in 2020. Management have taken proactive steps to systematically reduce the direct and indirect cost base of the Group to mitigate reduced revenues and have focussed on cash generation through active working capital management.

These events are considered by the director as a non-adjusting post balance sheet event. The director has given consideration to the post year end trading results of the Company and has developed a reasonable expectation that certain non-current assets held as at 31 December 2019 are not exposed to impairment in the year ended 31 December 2020.