

Registration Number: SC657607

Centurion UK Rentals & Services Holdings Limited

**Annual Report and Financial Statements
for the year ended 31 December 2023**

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Directors and Advisors

Directors

E Leask

M Raper

Secretary

Blackwood Partners LLP

Registered Address

Blackwood House

Union Grove Lane

Aberdeen

AB10 6XU

Solicitors

Blackwood Partners LLP

Blackwood House

Union Grove Lane

Aberdeen

AB10 6XU

Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2023.

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

Principal activity

The principal activity of Centurion UK Rentals & Services Holdings Limited, "the Company", is that of an intermediate holding company.

Directors

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

E Leask
M Raper

Business review and outlook

The Company is a wholly owned subsidiary of Centurion Group Limited, a Cayman registered company. Centurion Group Limited and its subsidiary undertakings, collectively referred to as the "Group", is a global leader in the supply of rentals and services to a range of critical industries for complex, challenging and remote locations. The Group has a global reach with operations in key service locations: Canada, America, UK & Europe, Caspian, Middle East, Southeast Asia, and Australia.

The Company recorded a loss in the year of £17,863k (2022: £3,719k). The directors anticipate the Company to continue as an intermediate holding company in the foreseeable future.

Dividends

No dividend was paid or proposed in the year (2022: £NIL).

Principal risks and uncertainties

The Company's principal risks and uncertainties are aligned to 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.

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 the Group seeks to conduct business. The Group also considers each of these countries' fiscal regimes, enabling assessment of the anticipated effects of taxes on the overall tax burden borne by the Group.

Operational risks

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

- Health, safety and welfare risks arise from the nature of the services provided and the locations in which these are undertaken. The welfare of its people is paramount and careful research is undertaken before individuals are deployed to locations, including assessing the level of support that customers will provide. The Group has an uncompromising commitment to health, safety and welfare.

Directors' Report (continued)

Operational risks (continued)

- Operational contracting risks arise from the nature of agreements with some customers, including fixed price agreements. In addition, where customers request work at short notice, the timing and quantum of work over the life of such contracts is difficult to predict and can provide operational challenges. In some geographies, the Group operates in harsh environments and contract outcomes can be adversely affected by extreme weather conditions.

Commodity price volatility

Energy price volatility impacts the willingness of companies to invest, which in turn impacts the level of activity by the Group's customers and potential customers and hence the demand for its services. 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.

Currency risk

The Group's activities primarily expose it to the movement of the Canadian Dollar, Australian Dollar, Singapore Dollar, UK Sterling and United Arab Emirates Dirham. The Group seeks to naturally hedge such exposures and it only considers forward or fixed exchange rate contracts where it is deemed appropriate.

Financial risk management policies and objectives

The Company's activities expose it to financial risks including capital and liquidity risk. The Company does not use derivative financial instruments for speculative purposes. The financial risk management policies are operated at Group level.

Capital risk

The Company manages its capital as part of a group wide strategy to ensure that entities within the Group, including the Company's subsidiaries, will be able to continue to operate as going concerns.

Liquidity risk

As an intermediate holding company there is limited working capital requirement. The Company is party to Group borrowing arrangements and its liquidity risk is impacted by Group wide financial performance. The liquidity risk is managed at Group level.

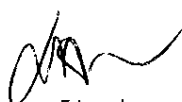
Events after the balance sheet date

The Company has no events since the balance sheet date that require to be disclosed.

Audit exemption statement

For the year ended 31 December 2023, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Approved by the Board and signed on its behalf by:



E Leask
Director
16 September 2024

Directors' Responsibilities Statement

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Income Statement

For the year ended 31 December 2023

	Note	2023 £000	2022 £000
Revenue		-	-
Administrative expenses		(4,131)	(2,859)
Recurring		(3,813)	(2,479)
Exceptional and adjusting items	4	(318)	(380)
Operating loss	5	(4,131)	(2,859)
Interest payable and similar charges	6	(813)	(860)
Provision for impairment of investments		(12,919)	-
Loss on ordinary activities before taxation		(17,863)	(3,719)
Taxation	9	-	-
Loss for the year	18	(17,863)	(3,719)

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

There are no recognised gains or losses in the current or prior year other than as included in the results above, therefore no separate statement of comprehensive income has been presented.

Statement of Financial Position

As at 31 December 2023

	Note	2023 £000	2022 £000
NON-CURRENT ASSETS			
Property, plant and equipment	10	137	69
Right-of-use assets	11	111	-
Investments	12	149,883	158,017
Total non-current assets		150,131	158,086
CURRENT ASSETS			
Other receivables	13	473	433
Amounts owed by group companies	13	4,971	4,791
Cash at bank and in hand		144	18
Total current assets		5,588	5,242
Total assets		155,719	163,328
CURRENT LIABILITIES			
Other payables	14	(672)	(2,815)
Amounts owed to group companies	14	(174,314)	(163,466)
Lease liabilities	11	(25)	-
Total current liabilities		(175,011)	(166,281)
Net current liabilities		(169,423)	(161,039)
Total assets less current liabilities		(19,292)	(2,953)
NON-CURRENT LIABILITIES			
Lease liabilities	11	(90)	-
Total non-current liabilities		(90)	-
NET LIABILITIES		(19,382)	(2,953)
EQUITY			
Called-up share capital	16	3,646	2,338
Other equity reserves	17	126	-
Accumulated losses	18	(23,154)	(5,291)
TOTAL EQUITY		(19,382)	(2,953)

For the financial year ended 31 December 2023 the Company was entitled to exemption under section 479A of the Companies Act 2006. No members have required the Company to obtain audit of its accounts for the year ended 31 December 2023 in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements of Centurion UK Rentals & Services Holdings Limited (registered number SC657607) were approved by the Board of Directors and signed on its behalf by:



E Leask

Director

16 September 2024

Statement of Changes in Equity

As at 31 December 2023

	Called up share capital £000	Other equity reserves £000	Accumulated losses £000	Total £000
Balance at 1 January 2022	1,787	15	(1,572)	230
Shares issued during the year	551	-	-	551
Movement on share based payments	-	(15)	-	(15)
Loss and total comprehensive loss for the year	-	-	(3,719)	(3,719)
Balance at 31 December 2022	2,338	-	(5,291)	(2,953)
Shares issued during the year	1,308	-	-	1,308
Movement on share based payments	-	126	-	126
Loss and total comprehensive loss for the year	-	-	(17,863)	(17,863)
Balance at 31 December 2023	3,646	126	(23,154)	(19,382)

Notes to the Financial Statements

For the year ended 31 December 2023

1. General information

Centurion UK Rentals & Services Holdings Limited, "the Company", is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in Scotland. The address of the registered office is given on page 1.

The principal activities of the Company are set out in the Directors' Report on page 2.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements because it is included in the group accounts of Centurion 3 Limited. The group accounts of Centurion 3 Limited are available to the public and can be obtained as set out in note 21.

2. Significant accounting policies

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

2.1 Basis of preparation

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

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

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, which is the currency of the primary economic environment in which the Company operates.

2.2 Going concern

The Company is party to the Group borrowing facilities under which it is an obligor and a guarantor. As a result, cash flow projections, including working capital requirements, are developed and managed at Group level. At the date of this report the Group has cash and cash reserves of \$21.9m, and the ability to draw down a further \$73.4m of debt funding under the existing RCF subject to customary bank covenants and credit agreement conditions. On 15 December 2023, the Group upsized its existing multi-currency credit facility by \$56m from \$338m to \$394m and extended the term from 31 December 2024 to 31 December 2026.

Having assessed the Group financial position, the trading prospects and liquidity including possible downside scenarios through the going concern period, being 12 months subsequent to the approval of these financial statements, the directors have developed a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

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

Notes to the Financial Statements

For the year ended 31 December 2023

2. Significant accounting policies (continued)

2.2 *Going concern (continued)*

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

2.3 *Adoption of new and revised standards*

The Company has adopted all new and revised standards effective for the period beginning 1 January 2023. The adoption of these standards has not had any material impact on the disclosures or the amounts reported in these financial statements.

2.4 *Investments in subsidiaries*

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

2.5 *Property, plant and equipment*

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

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

Property improvements	lower of 25 years or lease period
Hire fleet	1 to 5 years
Other plant and equipment	3 to 8 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

2.6 *Right-of-use asset*

The right-of-use assets comprise the initial measurement of the corresponding lease liability (see note 2.7), 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.

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

For the year ended 31 December 2023

2. Significant accounting policies (continued)

2.7 Leases

2.7.1 The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as a lease with total payments less than £5,000). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The incremental borrowing rate is determined by reference to the risk-free interest rate as adjusted by the Company's external borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease;
- payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the year presented.

The right-of-use assets are presented as a separate line in the Statement of Financial Position.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Notes to the Financial Statements

For the year ended 31 December 2023

2. Significant accounting policies (continued)

2.7 Leases (continued)

2.7.2 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.

2.8 Foreign currencies

2.8.1 Functional and presentation currency

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

2.8.2 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.

2.9 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.

2.10 Taxation

2.10.1 Current tax

Current tax payable or receivable is based on taxable result for the year. Taxable profit or loss differs from the result as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Notes to the Financial Statements

For the year ended 31 December 2023

2. Significant accounting policies (continued)

2.10 Taxation (continued)

The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.10.2 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.

2.10.3 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.

3. Key sources of estimation uncertainty and critical judgments

In the application of the Company's accounting policies, outlined in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. There are no key sources of estimation uncertainty and critical judgments impacting these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2023

4. Exceptional and adjusting items

Exceptional and adjusting items comprise the following:

	2023 £000	2022 £000
Restructuring costs	4	81
Acquisition related expenses	314	299
	318	380

Restructuring costs comprise professional costs incurred as part of the reviewing the UK group structure, rationalising headcount and rebranding. While such reorganisations occur periodically, they are not part of ordinary trading and therefore are presented as exceptional and adjusting items.

Acquisition related expenses relate to the costs associated with the acquisition of Heroult Marine Modules B.V in 2023 (2022: RMEC Group Limited) and the investigation of other identified opportunities. These expenses were identified as exceptional and adjusting items as they do not relate to the Company's ordinary trading activities.

5. Operating loss

	2023 £000	2022 £000
Operating loss for the year is stated after charging:		
Employee benefits expense (note 7)	2,077	1,393
Depreciation of property, plant and equipment	44	5
Depreciation of right-of-use asset	12	-

6. Finance expense and similar charges

	2023 £000	2022 £000
Interest payable to group companies	812	860
Interest on leases	1	-
	813	860

7. Employee benefit expense

	2023 £000	2022 £000
Wages and salaries	1,825	1,218
Social security costs	191	148
Pension costs	61	27
	2,077	1,393

The average number of employees in the year was:

	2023 No.	2022 No.
Managerial, finance and administration	29	21

8. Directors' remuneration

The directors are executives elsewhere within Centurion 3 Limited Group and are directors of certain other Centurion 3 Limited subsidiaries. It is not practicable to allocate this between their services as executives within the Centurion 3 Limited and their services as directors of this Company and other Centurion 3 Limited subsidiaries.

Notes to the Financial Statements

For the year ended 31 December 2023

9. Taxation

	2023 £000	2022 £000
Current tax		
Current tax	-	-
Total current tax	-	-
	2023 £000	2022 £000
Factors affecting the tax charge for the year		
Loss before taxation	(17,863)	(3,719)
Loss before taxation multiplied by standard rate of UK corporation tax of 23.52% (2022: 19%)	(4,201)	(706)
Expenses not deductible	3,150	84
Income not taxable	(1)	-
Amounts not recognised	(6)	-
Movement in un-provided deferred tax	-	1
Group relief	1,058	621
Current tax charge for the year	-	-

The UK corporation tax rate moved from 19% to 25% from 1 April 2023. This rate change was substantively enacted on 24 May 2021. As this was substantively enacted before the reporting date, the UK deferred tax balances as at 31 December 2023 have been measured at 25%.

At 31 December 2023 a deferred tax asset arising from timing differences of £535k (2022: £5k) has not been recognised as its recoverability is subject to future profitability and is uncertain.

10. Property, plant and equipment

	Property improvements £000	Plant and equipment £000	Total £000
Cost			
At 1 January 2023	16	58	74
Additions in the year	17	95	112
At 31 December 2023	33	153	186
Accumulated depreciation			
At 1 January 2023	-	5	5
Charge for the year	-	44	44
At 31 December 2023	-	49	49
Net book value			
At 31 December 2023	33	104	137
At 31 December 2022	16	53	69

Notes to the Financial Statements

For the year ended 31 December 2023

11. Leases

	Other plant and equipment £000	Total £000
Right-of-use asset		
Cost		
At 1 January 2023	-	-
Additions	123	123
Disposals	-	-
Balance at 31 December 2023	123	123
Accumulated depreciation		
At 1 January 2023	-	-
Charge for the year	12	12
Disposals	-	-
At 31 December 2023	12	12
Net book value		
At 31 December 2023	111	111
At 31 December 2022	-	-

	Other plant and equipment £000	Total £000
Lease liabilities		
At 1 January 2023	-	-
Additions	123	123
Interest expense	1	1
Repayment of lease liability	(9)	(9)
Balance at 31 December 2023	115	115

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

	2023 £000	2022 £000
Lease liabilities		
Current	25	-
Non-current	90	-
Total	115	-

The Company leases various items within other plant and equipment. The majority of the lease liabilities relates to properties with leases generally entered into for fixed periods. Some leases have extension options. Lease terms are negotiated individually and contain a wide range of terms and conditions. The lease arrangements do not impose covenants other than the security interests in the leased assets that are held by the lessor.

The Company recognised a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Notes to the Financial Statements

For the year ended 31 December 2023

11. Leases (continued)

The lease liability is subsequently increased by the interest cost on the lease liability and reduced by the lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the Company's IBR is used. The IBR is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

At 31 December 2023, the Company had no contractual commitments for the acquisition of right-of-use assets (2022: ENIL).

12. Investments

	£000
Cost	
At 1 January 2023	158,017
Additions in the year	4,785
At 31 December 2023	162,802
Impairment provision	
At 1 January 2023	-
Provided in year	12,919
At 31 December 2023	12,919
Net book value	
At 31 December 2023	149,883
At 31 December 2022	158,017

Notes to the Financial Statements

For the year ended 31 December 2023

12. Investments (continued)

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

Company	Country of incorporation	Class	Shares held%
Aleron Technology Limited (1)	Scotland	Ordinary	100
Aleron Limited* (1)	Scotland	Ordinary	100
Rovquip Limited* (1)	Scotland	Ordinary	100
Abenco Limited (1)	Scotland	Ordinary	100
Osprey3 Limited* (1)	Scotland	Ordinary	100
Centurion UK Rentals & Services Limited (2)	England and Wales	Ordinary	100
Conserve Rentals & Services Limited (2)	England and Wales	Ordinary	100
ATR Overseas Limited (1)	Scotland	Ordinary	100
Centurion Azerbaijan Rentals & Services Limited (3)	Gibraltar	Ordinary	100
Centurion Kazakhstan Rentals & Services LLP^ (6)	Kazakhstan	Ordinary	100
Centurion Subsea Services Limited (1)	Scotland	Ordinary	100
STH Holdings Limited (1)	Scotland	Ordinary	100
Safety & Technical Hydraulics Limited* (1)	Scotland	Ordinary	100
Labtech Services Limited (1)	Scotland	Ordinary	100
RMEC Group Limited (1)	Scotland	Ordinary	100
RMEC Limited* (1)	Scotland	Ordinary	100
Heroult Marine Modules B.V. (4)	Netherlands	Ordinary	100
H2M Offshore Accommodation ApS* (5)	Denmark	Ordinary	100

* held indirectly

^ Disposed 17 July 2024

- (1) Registered office: c/o Blackwood House, Union Grove Lane, Aberdeen, UK, AB10 6XU
- (2) Registered office: Suite 1, 7th Floor Broadway, London, England, SW1H 0BL
- (3) Registered office: Suite B, Ground Floor, Regal House, Queensway Gibraltar
- (4) Registered office: Waardsedijk Oost 14, 3417 XJ Montfoort, Netherlands
- (5) Registered office: Niels Bohrs Vej 6, 6700 Esbjerg, Denmark
- (6) Registered office: Republic of Kazakhstan, Mangistau region, 130000, Aktau city, Industrial zone 6, site 38

13. Other receivables

	2023	2022
	£000	£000
Other debtors and prepayments	473	433

Amounts due from Group companies of £4,971k (2022: £4,791k) are non-interest bearing and have no formal repayment terms. The counterparties comprise intermediate parent companies and fellow subsidiaries within the Centurion 3 Limited group.

14. Other payables

	2023	2022
	£000	£000
Other payables	672	2,815

Amounts due to Group companies of £174,314k (2022: £163,466k) are non-interest bearing and have no formal repayment terms. The counterparties comprise intermediate parent companies and fellow subsidiaries within the Centurion 3 Limited group.

Notes to the Financial Statements

For the year ended 31 December 2023

15. Retirement benefit plans

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Pension costs charged in the year amounted to £61k (2022: £27k). Pension contributions of £3k (2022: £7k) were outstanding at 31 December 2023.

16. Share capital

	2023 Units	2022 Units
Allotted, called up and fully paid		
3,646,336 (2022: 2,337,501) Ordinary Shares of £1 each	3,646,336	2,337,501
Ordinary shares issued and fully paid		£000
Balance at 1 January 2023		2,338
Issued during the year		1,308
Balance at 31 December 2023		3,646

On 15 December 2023, the Company issued 1,308,835 ordinary shares of £1 in exchange for non cash consideration of 8 ordinary shares of €450 in Heroult Marine Modules B.V.

17. Other equity reserves

<i>Share based payments</i>	£000
Balance at 1 January 2023	-
Movement in year	126
Balance at 31 December 2023	126

18. Accumulated losses

	£000
Balance at 1 January 2023	(5,291)
Loss for the year	(17,863)
Balance at 31 December 2023	(23,154)

19. Contingent liabilities

The Company is party to the Group borrowing facilities and arrangements. Under these arrangements, the Group has pledged its shares in the subsidiaries and granted a debenture over its assets. The outstanding amount under the borrowing facilities at 31 December 2023 was £206m (\$262m) (2022: £182m (\$220m)).

20. Related party transactions

The Company has taken advantage of the exemption under FRS 101 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.

Notes to the Financial Statements

For the year ended 31 December 2023

21. Controlling party

The ultimate holding company is Centurion Group Limited, a company incorporated and registered in the Cayman Islands (Registered office: c/o Maples Corporate Services Limited, PO Box 309, Uglard House, Grand Cayman, KY1-1104, the Cayman Islands). The majority of the equity of Centurion Group Limited is owned by SCF VIII AIV LP, Cayman Islands limited partnership, which in turn is considered to be controlled by its general partner, LESA Cayman Holdco Ltd, a company incorporated and registered in the Cayman Islands.

The smallest and largest group which consolidates the results of the Company is Centurion 3 Limited, a company registered in Scotland (Registered office: Blackwood House, Union Grove Lane, Aberdeen, United Kingdom, AB10 6XU), whose financial statements are publicly available from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.