

Lo Mark

Company Registration No. SC153427 (Scotland)

ATR EQUIPMENT SOLUTIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015



ATR EQUIPMENT SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	Mr K Moorhouse Mr E Leask
Secretary	Burness Paull LLP (resigned 27 July 2016) Blackwood Partners LLP (appointed 27 July 2016)
Company number	SC153427
Registered office	Blackwood House Union Grove Lane Aberdeen AB10 6XU
Auditors	Johnston Carmichael LLP Bishop's Court 29 Albyn Place Aberdeen AB10 1YL
Solicitors	Blackwood Partners LLP Blackwood House Union Grove Lane Aberdeen AB10 6XU

ATR EQUIPMENT SOLUTIONS LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Independent auditors' report	3 – 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 14

ATR EQUIPMENT SOLUTIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2015

Principal activities

The principal activity of the company is providing equipment solutions (sale, rental, and inspection services) to the surface, subsea and marine, and petrochemical sectors of the offshore Oil and Gas Industry.

Business review

Conditions in oil and gas markets during 2015 were challenging as commodity prices significantly dropped due to an imbalance between supply and demand across the global market. Against a resulting backdrop of reduced activity across the oil and gas service sector, ATR's performance was positively impacted by the implementation of ongoing internal cost reduction initiatives, continued focus on utilisation, an increase in internal operating efficiencies and safety performance, and from the flexibility of its business model.

ATR, as part of its strategic objectives, commenced a process of consolidating its supply chain, acquiring Safety & Technical Hydraulics Limited on 29 June 2015, a company specialising in the provision of hydraulic tools, bolting and instrumentation equipment to the oil and gas industry. This acquisition further enhances ATR's strong reputation for technical excellence, quality, reliability and customer service and its ability to work with clients to reduce their overall costs.

Subsequently, the directors carried out a review of the strategic options available to ATR, including a review of potential oilfield service companies to merge / combine with in order to generate additional economies of scale and better position the enlarged business for market recovery. On 27 July 2016, NBGI Private Equity (Tranche II) LP sold their controlling interest in ATR to Centurion Group Limited. The majority of the equity of Centurion Group Limited is owned 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 directors have prepared financial projections for the 2016 and 2017 financial years and are satisfied that the company remains a going concern.

Principal risks and uncertainties and key performance indicators

Risks and key performance indicators are managed and reviewed at Group level. These are considered further in the Strategic report of ATR Offshore Holdings Limited.

On behalf of the Board



Mr E Leask
Director

Blackwood House
Union Grove Lane
Aberdeen
AB10 6XU

6 SEPTEMBER 2016

ATR EQUIPMENT SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2015

The directors present their report and financial statements for the year ended 31 October 2015.

Directors

The following directors have held office since 1 November 2014:

Mr K Moorhouse
Mr E Leask

Results and dividends

The results for the year are set out on page 5. The directors do not propose the payment of a dividend.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

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

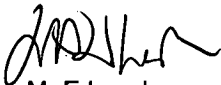
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr E Leask

Director

6 SEPTEMBER 2016

ATR EQUIPMENT SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ATR EQUIPMENT SOLUTIONS LIMITED

We have audited the financial statements of ATR Equipment Solutions Limited for the year ended 31 October 2015 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 in an auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ATR EQUIPMENT SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ATR EQUIPMENT SOLUTIONS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.



Graeme Fraser (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

6 September 2016

Chartered Accountants
Statutory Auditor

Bishop's Court
29 Albyn Place
Aberdeen
AB10 1YL

ATR EQUIPMENT SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2015

	Notes	2015 £	2014 £
Turnover	2	21,498,303	21,452,347
Cost of sales	3	(15,946,298)	(14,648,712)
Gross profit		<u>5,552,005</u>	<u>6,803,635</u>
Administrative expenses	3	(5,386,716)	(7,662,705)
Operating profit / (loss)	4	<u>165,289</u>	<u>(859,070)</u>
Analysis of operating profit / (loss)			
Operating profit / (loss) before exceptional costs		193,247	(670,889)
Exceptional costs	3	(27,958)	(188,181)
		<u>165,289</u>	<u>(859,070)</u>
Interest payable and similar charges	5	(52,645)	(51,956)
Profit / (loss) on ordinary activities before taxation		<u>112,644</u>	<u>(911,026)</u>
Tax on profit on ordinary activities	6	-	-
Profit / (loss) for the year	14	<u><u>112,644</u></u>	<u><u>(911,026)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

ATR EQUIPMENT SOLUTIONS LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	7		2,717,119		3,742,120
Current assets					
Stocks	8	553,992		577,270	
Debtors	9	7,340,454		8,079,732	
Cash at bank and in hand		1,305,473		72,194	
		<u>9,199,919</u>		<u>8,729,196</u>	
Creditors: amounts falling due within one year	10	<u>(7,582,537)</u>		<u>(8,249,459)</u>	
Net current assets			<u>1,617,382</u>		<u>479,737</u>
Total assets less current liabilities			<u>4,334,501</u>		<u>4,221,857</u>
Provisions for liabilities	11		<u>(170,000)</u>		<u>(170,000)</u>
			<u>4,164,501</u>		<u>4,051,857</u>
Capital and reserves					
Called up share capital	13		10,000		10,000
Profit and loss account	14		<u>4,154,501</u>		<u>4,041,857</u>
Shareholders' funds	15		<u>4,164,501</u>		<u>4,051,857</u>

Approved by the Board and authorised for issue on ~~6 SEPTEMBER~~ 2016



Mr E Leask
Director

Company Registration No. SC153427

ATR EQUIPMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Profit is recognised on long-term projects, if the final outcome can be assessed with reasonable certainty, by including turnover and related costs as activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value of these contracts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Tenants' improvements	- 25% straight line
Plant and machinery	- 20 - 25% straight line
Hire equipment	- 25% - 66% straight line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

ATR EQUIPMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

2 Turnover

Geographical market	2015 £	2014 £
United Kingdom	21,361,743	21,307,725
Rest of the World	136,560	144,622
	<u>21,498,303</u>	<u>21,452,347</u>

3 Operating costs

	Year ended 31 October 2015			Year ended 31 October 2014		
	Normal £	Exceptional £	Total £	Normal £	Exceptional £	Total £
Purchases	15,946,298	-	15,946,298	14,648,712	-	14,648,712
Wages and Salaries	1,475,108	-	1,475,108	1,725,269	-	1,725,269
Employers' NI	143,274	-	143,274	179,168	-	179,168
Depreciation	1,243,951	-	1,243,951	1,406,482	-	1,406,482
Administrative Expenses	2,496,425	27,958	2,524,383	4,163,605	188,181	4,351,786
	<u>21,305,056</u>	<u>27,958</u>	<u>21,333,014</u>	<u>22,123,236</u>	<u>188,181</u>	<u>22,311,417</u>

Exceptional items in the year ended 31 October 2015 relate to restructuring costs.

4 Operating profit

	2015 £	2014 £
Operating profit is stated after charging:		
Depreciation of tangible assets	1,243,951	1,406,482
Operating lease rentals	348,875	386,833
Auditors' remuneration	8,250	8,250
and after crediting:		
Profit on disposal of tangible assets	(124,360)	(26,363)
Profit on foreign exchange transactions	(11)	(7,345)
	<u></u>	<u></u>

5 Interest payable

	2015 £	2014 £
On bank loans and overdrafts	<u>52,645</u>	<u>51,956</u>

ATR EQUIPMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

6 Taxation	2015	2014
	£	£
Domestic current year tax		
U.K. corporation tax	-	-
Payment in respect of group relief	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/> <hr/>	<hr/> <hr/>
Factors affecting the tax charge for the year		
(Loss) / Profit on ordinary activities before taxation	112,644	(911,026)
	<hr/>	<hr/>
(Loss) / Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.42% (2014 - 21.83%)	22,998	(198,877)
	<hr/>	<hr/>
Effects of:		
Non deductible expenses	53	35,564
Depreciation add back	51,100	71,466
Other timing differences	(260)	873
Group relief (claim) / surrender	(73,891)	71,111
Income not deductible for tax purposes	-	19,863
	<hr/>	<hr/>
	(22,998)	198,877
	<hr/>	<hr/>
Current tax charge for the year	-	-
	<hr/> <hr/>	<hr/> <hr/>

ATR EQUIPMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

7 Tangible fixed assets

	Tenants improvements £	Plant & Machinery etc £	Total £
Cost			
At 1 November 2014	60,226	8,507,668	8,567,894
Additions	-	379,200	379,200
Transfers to group companies	-	(97,007)	(97,007)
Disposals	-	(438,157)	(438,157)
	<hr/>	<hr/>	<hr/>
At 31 October 2015	60,226	8,351,704	8,411,930
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 November 2014	52,825	4,772,949	4,825,774
On disposals	-	(353,020)	(353,020)
On transfers to group companies	-	(21,894)	(21,894)
Charge for the year	7,401	1,236,550	1,243,951
	<hr/>	<hr/>	<hr/>
At 31 October 2015	60,226	5,634,585	5,694,811
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 October 2015	-	2,717,119	2,717,119
	<hr/>	<hr/>	<hr/>
At 31 October 2014	7,401	3,734,719	3,742,120
	<hr/>	<hr/>	<hr/>

8 Stocks

	2015 £	2014 £
--	-----------	-----------

Finished goods and goods for resale	553,992	577,270
	<hr/>	<hr/>

9 Debtors

	2015 £	2014 £
--	-----------	-----------

Trade debtors	2,828,538	5,179,287
Amounts owed by group undertakings	3,670,369	1,783,664
Prepayments and accrued income	841,547	1,116,781
	<hr/>	<hr/>
	7,340,454	8,079,732
	<hr/>	<hr/>

ATR EQUIPMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

10 Creditors: amounts falling due within one year	2015	2014
	£	£
Bank loans and overdrafts	-	312,885
Trade creditors	2,609,460	3,528,498
Amounts owed to group undertakings	4,217,899	3,201,120
Corporation tax	-	155,127
Other taxes and social security costs	304,183	361,738
Accruals and deferred income	450,995	690,091
	<u>7,582,537</u>	<u>8,249,459</u>

11 Provisions for liabilities

	Other
	£
Balance at 1 November 2014	170,000
Profit and loss account	-
	<u>170,000</u>
Balance at 31 October 2015	<u>170,000</u>

12 Pension and other post-retirement benefit commitments

Defined contribution

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. Contributions totalling £3,535 (2014 - £2,740) were payable to the fund at the year end.

	2015	2014
	£	£
Contributions payable by the company for the year	<u>18,938</u>	<u>23,774</u>

13 Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
10,000 Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>

ATR EQUIPMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

14 Statement of movements on profit and loss account	Profit & Loss Account
	£
Balance at 1 November 2014	4,041,857
Profit for the year	112,644
	<hr/>
Balance at 31 October 2015	4,154,501
	<hr/> <hr/>

15 Reconciliation of movements in shareholders' funds

	Share Capital £	Profit and Loss Account £	Total £
At 1 November 2014	10,000	4,041,857	4,051,857
Profit for the year	-	112,644	112,644
	<hr/>	<hr/>	<hr/>
At 31 October 2015	10,000	4,154,501	4,164,501
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16 Contingent liabilities

The company is a subsidiary in a group which has bank loans and loan notes totalling £49,272,951 (2014 - £37,317,000) at 31 October 2015. These borrowings are secured by bond and floating charges over all the assets of the company and other active group members.

As part of the combination with Centurion Group Limited on 27 July 2016, the existing bank debt at 31 October 2015 of the ATR group of companies was fully repaid and replaced with loans from its new parent undertaking. The enlarged Group's bank debt is secured by a bond and floating charge over all assets of Centurion Group's active companies.

Additionally, immediately prior to the combination with Centurion Group Limited, the loan notes and associated accrued interest due by the ATR Group of companies to NBGI Private Equity (Tranche II) LP were exchanged at full value for share capital in ATR Offshore Holdings Limited.

17 Financial commitments

At 31 October 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2016:

	Land & Buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Operating leases which expire:				
Within one year	1,038	69,828	3,763	34,458
Between two and five years	-	-	17,359	16,345
In over five years	181,994	300,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	183,032	369,828	21,122	50,803
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ATR EQUIPMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Administration	18	19
Production	32	38
	<u>50</u>	<u>57</u>
Employment costs	2015	2014
	£	£
Wages and salaries	1,475,108	1,725,269
Social security costs	143,274	179,168
Other pension costs	18,938	22,803
	<u>1,637,320</u>	<u>1,927,240</u>

19 Control

At 31 October 2015 the ultimate holding company of ATR Equipment Solutions Limited is ATR Offshore Holdings Limited, a company registered in Scotland.

ATR Offshore Holdings Limited prepares group financial statements and copies can be obtained from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

The directors regarded NBGI Private Equity (Tranche II) LP, a fund registered in Guernsey and managed by NBGI Private Equity Limited as the ultimate controlling party at 31 October 2015.

On 27 July 2016, NBGI Private Equity (Tranche II) LP sold their controlling interest in ATR Offshore Holdings Limited to Centurion Group Limited. The majority of the equity of Centurion Group Limited is owned 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.

ATR EQUIPMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

20 Post balance sheet events

On 27 July 2016, NBGI Private Equity (Tranche II) LP sold their controlling interest in the ATR Group of companies to Centurion Group Limited. The majority of the equity of Centurion Group Limited is owned 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.

As part of the combination with Centurion Group Limited on 27 July 2016, the existing bank debt at 31 October 2015 of the ATR group of companies was fully repaid and replaced with loans from its new parent undertaking. The enlarged Group's bank debt is secured by a bond and floating charge over all assets of Centurion Group's active companies.

Additionally, immediately prior to the combination with Centurion Group Limited, the loan notes and associated accrued interest due by the ATR Group of companies to NBGI Private Equity (Tranche II) LP were exchanged at full value for share capital in ATR Offshore Holdings Limited. NBGI Private Equity (Tranche II) LP also subscribed for a further 5,000,000 £1 ordinary shares at par.

21 Related party relationships and transactions

Other transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

During the year the company made sales of £80,786 to, and purchases of £129,151 from Safety & Technical Hydraulics Limited, an 85% owned subsidiary of the ATR Group. As at 31 October 2015 the balance due to Safety & Technical Hydraulics Limited is £23,596.