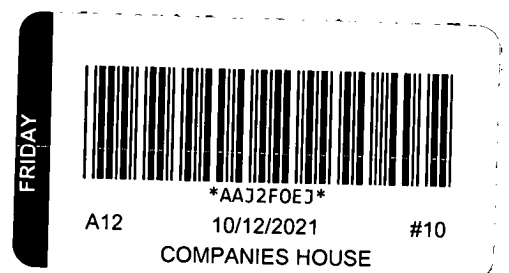


**ICR INTEGRITY LIMITED**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2021**



# ICR INTEGRITY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M McBride A McQuade
<b>Company number</b>	07602331
<b>Registered office</b>	57-59 Elmsfield Park Holme Carnforth Lancashire England LA6 1RJ
<b>Auditor</b>	Ernst & Young LLP 4 <sup>th</sup> Floor, Marischal Square Broad Street Aberdeen AB10 1BL

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# **ICR INTEGRITY LIMITED**

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***FOR THE YEAR ENDED 31 MAY 2021***

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# ICR INTEGRITY LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MAY 2021

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The directors present the strategic report and financial statements for the year ended 31 May 2021.

#### Review of the business

The principal activities of the company continue to be the provision of the following services to the energy industry in the United Kingdom and in selected international markets:

- composite repair technology;
- corrosion management services;
- chemical injection pump hire, repairs and sales; and
- the design, manufacture and installation of flanges.

The ultimate parent company is ICR (Holdings) 1 Limited, incorporated on 23 May 2019 and consolidated financial statements of the Group are presented in the financial statements of this entity.

#### Principal risks and uncertainties

The main short-medium term risk remains the impact of the Covid pandemic on ICR's markets. Performance since March 2020 has been significantly impacted but management believes that the business will continue to benefit from the portfolio effect of selling multiple services to customers in a range of locations and industries and will continue to manage cost base and liquidity accordingly.

Core oil and gas market conditions remain challenging and UK North Sea decommissioning is beginning to impact parts of the business, but this is being mitigated by: improving prospects of regional hubs in Abu Dhabi, Houston, Stavanger and Perth and further development of ICR's network of international partners subject to Covid-related restrictions on staff mobility; strategic focus on ICR's specialist inspection businesses including further investment in new technology; and developing emphasis on energy transition without diluting focus on brownfield oil and gas.

Management recognises that increasing exposure to international markets can result in increased FX and payment risks. The Group's main currency exposure is USD and natural hedging mitigates this risk but more formal FX management is considered on an ad hoc basis. Payment risk is mitigated during contractual negotiations and strong focus on cash collection.

#### Future Developments

The business remains focussed on growing its share of core markets through customer focus and business efficiency and will continue to develop its international footprint. Significant focus on energy transition is required in the year ahead.

On behalf of the board



A McQuade

Director

30 November 2021

**ICR INTEGRITY LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MAY 2021**

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**Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

W G Rennie (resigned 1 September 2021)  
A McQuade  
M McBride (appointed 20 September 2021)

**Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. (2020 - £nil) The directors do not recommend payment of a final dividend.

**Auditor**

In accordance with the company's articles, a resolution proposing the appointment of a new auditor of the company will be put at a General Meeting.

**Disclosure of information to the auditors**

The directors who were members of the board at the time of approving the directors report are listed above. Having made enquiries of fellow directors and of the company's auditors each of these directors confirm that;

- to the best of each director's knowledge and belief, there is no information (that is, information that is needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

**Going concern**

The directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future and have received confirmation that ICR (Holdings) 1 Limited will provide support should it be required. The financial support is guaranteed for a period of 12 months from signing of these financial statements. As a result they have continued to adopt the going concern basis of accounting when preparing the annual financial statements.

The Group's view of the current situation is as follows: At the balance sheet date, the COVID-19 pandemic had created significant market uncertainty and ICR performance was impacted by social distancing rules and travel restrictions. However, cost containment, use of the UK's job retention scheme and robust working capital controls have mitigated the impact with only a 10% decrease in revenues. While acknowledging underlying market uncertainty, management have prepared their going concern assessment to 30 November 2022, with the assumptions considered to be conservative as there are a number of potential upsides not reflected in the base case on which this forecast has been prepared.

The base case financial forecast to 30 November 2022 demonstrates that the business is expected to generate sufficient profitability and liquidity to meet banking commitments and financial covenants over this period, being a period of at least 12 months for the signing date of these financial statements.

Management has applied reasonable downside sensitivities to the FY22 base case model e.g. reduced revenue, the removal of growth assumptions on certain business segments and under these scenarios the financial covenants are not breached. Management has also performed a reverse stress test to determine at which point the financial covenants would be breached. The results have been reviewed and Management do not consider this to be a plausible scenario. Whilst some uncertainty still remains due to the ongoing impact of COVID-19, management believes that any new travel or social distancing restrictions would be unlikely to impact the business to the same extent as seen at the start of the pandemic. The business provides a portfolio of services to various industries and in different international markets and as such the directors believe the business is now more resilient to any adverse COVID-19 impacts that may arise.

# ICR INTEGRITY LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2021**

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### **Going concern (continued)**

Having reviewed the Group going concern assessment the Directors of the Company have concluded that the ICR (Holdings) 1 Group retains sufficient liquidity to provide support to the Company and that therefore the going concern basis remains appropriate for the Company.

### **Subsequent Events**

No material events have occurred since the statement of financial position date that would affect the financial statements of the company.

On behalf of the board



A McQuade

**Director**

30 November 2021

# **ICR INTEGRITY LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MAY 2021***

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The directors are responsible for preparing the Strategic Report, the 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- and 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICR INTEGRITY LIMITED**

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### **Opinion**

We have audited the financial statements of ICR Integrity Limited for the year ended 31 May 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 28, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 May 2021 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.

### **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 below. 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 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report set out on pages 1 to 3, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICR INTEGRITY LIMITED**

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

We have nothing to report in this regard.

### **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 directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept 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.

### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICR INTEGRITY LIMITED

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### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those related to the reporting framework (FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by making enquiries with management, those charged with governance and other employees within the Company to understand the entity's policies and procedures. We also obtained documentation on the entity-level controls environment to determine whether it supports the prevention, detection and correction of material misstatements, including those that are due to fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiry with management and considering whether there are any events during the audit that might have indicated non-compliance with laws and regulations.

Our procedures on journal entries testing included a focus on journals meeting our defined risk criteria, including those posted by those charged with governance, based on our understanding of the business and enquiry with management. Where instances of higher risk journals were identified, we performed additional audit procedures to address each identified risk. These procedures included testing transactions back to source information. We incorporated unpredictability into our testing of manual journals.

Our procedures on judgements and estimates made in the financial statements included challenging the assumptions made and models used in determining estimates and sought to obtain both contradictory and corroborative evidence to challenge and/or support estimate inputs.

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

### Use of our report

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

*Ernst & Young LLP*

Kevin Weston (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Aberdeen  
30 November 2021

# ICR INTEGRITY LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2021

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	Notes	2021 £	2020 £
<b>Turnover</b>	3	19,748,783	20,964,157
Cost of sales		<u>(8,532,433)</u>	<u>(9,528,394)</u>
<b>Gross Profit</b>		11,216,350	11,435,763
Administrative expenses		(8,678,745)	(8,327,404)
Other operating income		0	120,060
Write off of subsidiary loans		<u>0</u>	<u>15,848,207</u>
<b>Operating profit</b>	5	2,537,605	19,076,626
Interest receivable and similar income	7	819,656	435,569
Interest payable and similar charges	8	<u>(2,374,879)</u>	<u>(2,424,041)</u>
<b>Profit before taxation</b>		982,382	17,088,154
Taxation	9	<u>(287,358)</u>	<u>(54,455)</u>
<b>Profit for the financial year</b>		<u>695,024</u>	<u>17,033,699</u>
<b>Total comprehensive profit for the year</b>		<u>695,024</u>	<u>17,033,699</u>

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

# ICR INTEGRITY LIMITED

## BALANCE SHEET

AS AT 31 MAY 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Intangible assets	10	589,326		1,456,713	
Tangible assets	11	2,189,987		2,341,922	
Investments	12	3,678,883		3,678,882	
		<u>6,458,196</u>		<u>7,477,517</u>	
<b>Current assets</b>					
Stocks	14	2,007,327		2,020,223	
Debtors falling due within one year	15	7,383,182		6,037,930	
Debtors falling due after one year	15	7,509,167		5,260,435	
Cash at bank and in hand		513,821		1,288,095	
		<u>17,413,497</u>		<u>14,606,683</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(8,063,093)</u>		<u>(4,522,961)</u>	
<b>Net current assets</b>		<u>9,350,404</u>		<u>10,083,722</u>	
<b>Total assets less current liabilities</b>		15,808,600		17,561,239	
<b>Creditors: amounts falling due after more than one year</b>	17	<u>(60,540,184)</u>		<u>(62,987,846)</u>	
<b>Net liabilities</b>		<u>(44,731,584)</u>		<u>(45,426,607)</u>	
<b>Capital and reserves</b>					
Called up share capital	21	255,632		255,632	
Share premium account	22	1,132,625		1,132,625	
Other reserves	22	374,787		374,787	
Capital redemption reserve	22	18,109		18,109	
Profit and loss reserves		<u>(46,512,737)</u>		<u>(47,207,760)</u>	
<b>Total deficit</b>		<u>(44,731,584)</u>		<u>(45,426,607)</u>	

The financial statements were approved by the board of directors and authorised for issue on 30 November 2021 and are signed on its behalf by:



.....  
A McQuade  
Director

Company Registration No. 07602331

# ICR INTEGRITY LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2021

	Share capital £	Share premium account £	Capital redemption reserve £	Other reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 June 2019</b>	255,632	1,132,625	18,109	374,787	(64,241,459)	(62,460,306)
<b>Year ended 31 May 2020:</b>						
Profit and total comprehensive income for the year	-	-	-	-	17,033,698	17,033,698
<b>Balance at 31 May 2020</b>	255,632	1,132,625	18,109	374,787	(47,207,761)	(45,426,608)
<b>Year ended 31 May 2021:</b>						
Profit and total comprehensive income for the year	-	-	-	-	695,024	695,024
<b>Balance at 31 May 2021</b>	255,632	1,132,625	18,109	374,787	(46,512,737)	(44,731,584)

# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MAY 2021

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#### 1 Accounting policies

##### Company information

ICR Integrity Limited is a company limited by shares incorporated in England and Wales. The registered office is 57-59 Elmsfield Park, Holme, Carnforth, Lancashire, England, LA6 1RJ. The principal place of business is H2 Claymore Avenue, Aberdeen Energy Park, Bridge of Don, Aberdeen, AB23 8GW.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

##### FRS 102 reduced disclosure framework

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it.

The company has taken advantage of the following disclosure exemptions under FRS 102:

(a) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 (d).

(b) The requirements of Section 11 paragraphs 11.41(b), 11.41(c), 11.41 (e), 11.41 (f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48 (a) (iv), 11.48 (b) and 11.48 (c) and Section 12 paragraphs 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29 (a), 12.29 (b), and 12.29A providing disclosures equivalent to those required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.

(c) The requirement of Section 33 Related Party Disclosures paragraph 33.7.

##### Preparation of consolidated financial statements

The financial statements present information about the company as an individual undertaking and not its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of ICR (Holdings) 1 Limited, a company incorporated in the United Kingdom, and is included in the consolidated accounts of that company.

# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2021

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#### 1 Accounting policies (continued)

##### 1.2 Going concern

The directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future and have received confirmation that ICR (Holdings) 1 Limited will provide support should it be required. The financial support is guaranteed for a period of 12 months from signing of these financial statements. As a result they have continued to adopt the going concern basis of accounting when preparing the annual financial statements.

The Group's view of the current situation is as follows: At the balance sheet date, the COVID-19 pandemic had created significant market uncertainty and ICR performance was impacted by social distancing rules and travel restrictions. However, cost containment, use of the UK's job retention scheme and robust working capital controls have mitigated the impact with only a 10% decrease in revenues. While acknowledging underlying market uncertainty, management have prepared their going concern assessment to 30 November 2022, with the assumptions considered to be conservative as there are a number of potential upsides not reflected in the base case on which this forecast has been prepared.

The base case financial forecast to 30 November 2022 demonstrates that the business is expected to generate sufficient profitability and liquidity to meet banking commitments and financial covenants over this period, being a period of at least 12 months for the signing date of these financial statements.

Management has applied reasonable downside sensitivities to the FY22 base case model e.g. reduced revenue, the removal of growth assumptions on certain business segments and under these scenarios the financial covenants are not breached. Management has also performed a reverse stress test to determine at which point the financial covenants would be breached. The results have been reviewed and Management do not consider this to be a plausible scenario. Whilst some uncertainty still remains due to the ongoing impact of COVID-19, management believes that any new travel or social distancing restrictions would be unlikely to impact the business to the same extent as seen at the start of the pandemic. The business provides a portfolio of services to various industries and in different international markets and as such the directors believe the business is now more resilient to any adverse COVID-19 impacts that may arise.

Having reviewed the Group going concern assessment the Directors of the Company have concluded that the ICR (Holdings) 1 Group retains sufficient liquidity to provide support to the Company and that therefore the going concern basis remains appropriate for the Company.

##### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, 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.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2021

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#### 1 Accounting policies (continued)

##### 1.4 Intangible fixed assets

###### Product Development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

In the event that an internally generated intangible asset arises from the company's development activities then it will be recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- the project from which the asset arises meets the company's criteria for assessing technical feasibility;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally generated intangible assets are amortised on a straight-line basis over their useful lives. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

###### Capitalised software

Other intangible assets that are acquired by the company are stated at cost less accumulated amortisation and impairment losses.

Computer software costs are amortised using the straight-line basis over their useful lives of 4 years.

###### Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

###### Amortisation

Amortisation is recognised so as to write-off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Product Development	Linear amortisation over the economic lifetime
Capitalised Software	25% on cost

##### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% on cost
Fixtures, fittings & equipment	25% on cost
Plant & Machinery	10-15% on cost
Motor Vehicles	25%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2021

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#### 1 Accounting policies (continued)

##### 1.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.8 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

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**1 Accounting policies (continued)**  
**1.10 Financial instruments (continued)**

***Impairment of financial assets***

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.11 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2021

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#### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2021

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following are considered to be either judgements that have had the most significant effect on the amounts recognised in the financial statements, or estimates that are dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date:

- Carrying value of intangible and fixed asset investments (notes 11 and 12)
- Investment impairment (note 12)
- Stage of completion of jobs within work in progress and the associated allocation of overheads (note 14)
- Interest rate used for inter-company interest (notes 15 and 18)

#### 3 Turnover

An analysis of the company's turnover is as follows:

	2021 £	2020 £
<b>Turnover</b>		
Goods	8,276,988	9,137,869
Services	10,958,219	11,261,562
Other	513,576	564,726
	<u>19,748,783</u>	<u>20,964,157</u>

#### Turnover analysed by geographical market

	2021 £	2020 £
United Kingdom	15,008,880	14,385,412
Europe	586,335	413,629
Middle East & North Africa	1,479,731	3,353,998
Australia and New Zealand	501,147	751,583
North America	79,906	228,356
Rest of world	2,092,784	1,831,179
	<u>19,748,783</u>	<u>20,964,157</u>

#### 4 Auditor's Remuneration

	2021 £	2020 £
Fees payable to the company's auditor for the audit of the company's financial statements	<u>95,000</u>	<u>95,000</u>

# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 5 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	410,461	129,762
Depreciation of owned tangible fixed assets (note 11)	556,268	621,236
Amortisation of intangible fixed assets (note 10)	276,457	266,863
Operating lease charges	492,452	538,004
Exceptional Items	<u>1,991,828</u>	<u>(14,189,627)</u>

Following further restructuring and integration of the group's business operations, exceptional personnel and property related cost of £1,991,828 were incurred (2020 - £1,709,350 restructuring costs and £15,898,977 due to the write off of inter company loans following the liquidation of dormant subsidiaries).

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Sales	13	12
Administration and development	29	26
Operations	43	46
Technical	<u>82</u>	<u>78</u>
	<u>167</u>	<u>162</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	4,929,050	5,392,277
Social security costs	367,397	415,545
Pension costs	<u>155,492</u>	<u>131,894</u>
	<u>5,451,939</u>	<u>5,939,716</u>

Each of the directors who served during the current and prior year were remunerated by other group companies. The directors do not consider it practical to meaningfully estimate the proportion of their remuneration that related to their services as directors of the company.

The business claimed Coronavirus Job Retention Grant of £944,077 (2020 - £250,134).

### 7 Interest receivable and similar income

	2021 £	2020 £
<b>Interest income</b>		
Interest receivable from group companies	<u>332,606</u>	<u>210,617</u>
Total interest revenue	332,606	210,617
<b>Income from fixed asset investments</b>		
Income from shares in group undertakings	<u>487,050</u>	<u>224,952</u>
Total income	<u>819,656</u>	<u>435,569</u>

# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2021

8 Interest payable and similar charges	2021 £	2020 £
Interest payable to group undertakings	<u>2,374,879</u>	<u>2,424,041</u>
9 Taxation	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profit/(loss) for the period	44,443	55,660
Adjustment in respect of previous periods	154,736	16,024
Foreign tax suffered	<u>28,581</u>	<u>-</u>
Total current tax charge	<u>227,760</u>	<u>71,684</u>
<b>Deferred Tax</b>		
Origination & reversal of timing differences	58,120	94,243
Adjustment in respect of previous periods	(4,653)	(104,131)
Effect of changes in tax rates	<u>6,131</u>	<u>(7,341)</u>
	<u>59,598</u>	<u>(17,229)</u>
Total tax charge	<u>287,358</u>	<u>54,455</u>

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2021 £	2020 £
Profit/(loss) before taxation	982,382	17,088,154
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2020:19%)	186,653	3,246,749
Tax effect of expenses that are not deductible in determining taxable profit	13,880	(9,952)
Adjustment to tax in respect of previous periods	150,083	(88,107)
Income not taxable	(92,540)	(3,086,894)
Effects of overseas tax rates	23,151	-
Impact of changes in UK tax rate	6,131	(7,341)
Impairment losses not subject to tax	-	-
Deferred tax asset movement previously not recognised	<u>-</u>	<u>-</u>
Tax expense for the year	<u>287,358</u>	<u>54,455</u>

On 11 March 2021, the UK Government published the Finance Bill 2021 clauses, which set out that the UK corporation tax will increase to 25% from 1 April 2023. This bill has been considered as "substantively enacted, following the Third Reading on 24 May 2021. Finance Bill 2021 received Royal Assent on 10 June 2021 and became Finance Act 2021. Deferred tax balances have been remeasured as at the balance sheet date in relation to this change.

# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

10 Intangible Fixed Assets	Product Development £	Capitalised Software £	Total £	
<b>Cost</b>				
At 1 June 2020	1,423,104	687,456	2,110,560	
Additions	468,574	31,396	499,970	
Disposals	(1,090,900)	-	(1,090,900)	
At 31 May 2021	800,778	718,852	1,519,630	
<b>Depreciation</b>				
At 1 June 2020	172,928	480,919	653,847	
Depreciation charge for the year	82,963	193,494	276,457	
At 31 May 2021	255,891	674,413	930,304	
<b>Carrying amount</b>				
At 31 May 2021	544,887	44,439	589,326	
At 31 May 2020	1,250,176	206,537	1,456,713	
11 Tangible Fixed Assets	Leasehold Improvements £	Plant & machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 June 2020	1,390,451	7,036,504	656,687	9,083,642
Additions	-	434,766	41,171	475,937
Disposals	(3)	(57,896)	-	(57,899)
At 31 May 2021	1,390,448	7,413,374	697,858	9,501,680
<b>Depreciation</b>				
At 1 June 2020	811,715	5,465,077	464,923	6,741,715
Depreciation charged in the year	79,825	359,166	156,207	595,198
Disposals	-	(25,220)	-	(25,220)
At 31 May 2021	891,540	5,799,023	621,130	7,311,693
<b>Carrying amount</b>				
At 31 May 2021	498,908	1,614,351	76,728	2,189,987
At 31 May 2020	578,736	1,571,428	191,764	2,341,927

# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

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12	Fixed asset investments	2021 £	2020 £
	Investments in subsidiaries	<u>3,678,883</u>	<u>3,678,882</u>
	<b>Movements in fixed asset investments</b>		
	<b>Cost or valuation</b>		<b>Shares in group undertakings £</b>
	At 1 June 2020		25,362,574
	Addition		<u>1</u>
	At 31 May 2021		<u>25,362,575</u>
	<b>Impairment</b>		
	At 1 June 2020		<u>21,683,692</u>
	At 31 May 2021		<u>21,683,692</u>
	<b>Carrying amount</b>		
	At 31 May 2021		<u>3,678,883</u>
	At 31 May 2020		<u>3,678,882</u>

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# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2021

#### 13 Subsidiaries

These financial statements are separate company financial statements for ICR Integrity Limited.

Details of the company's subsidiaries at 31 May 2021 are as follows:

Name of undertaking and country of incorporation or residency	Registered Office	Nature of business	% of Ordinary Share Capital Held
Walker Technical Resources Limited*	Scotland (2)	Pipe rehabilitation and maintenance services	100.00
Moss Mechanical On Site Services Limited*	England and Wales (1)	Non-trading company	100.00
IC Integrity PTY Limited*	Australia (3)	Asset rehabilitation and maintenance services	51.00
ICR Integrity Norge AS*	Norway (4)	Holding Company	100.00
Sky Futures Partners Limited*	England and Wales (1)	Industrial drone inspection services	100.00
Omni Integrity Limited*	England and Wales (1)	Development of Asset Monitoring Software	90.00
ICR Integrity USA LLC**	U.S.A (5)	Asset rehabilitation and maintenance services	100.00

\*The shares in this company are held by ICR Integrity Limited.

\*\*The shares in this company are held by ICR Norge AS.

The Registered office of each of the subsidiaries is as indicated by the key below:

- (1) 57-59 Elmsfield Park, Holme, Carnforth, Lancashire, England, LA6 1RJ
- (2) H2 Claymore Avenue, Aberdeen Energy Park, Bridge of Don, Aberdeen, AB23 8GW
- (3) 15-19 Ilda Rd, Canning Vale, WA 6155, Australia
- (4) Hovedgata 10, 4900 Tvedestrand, Norway
- (5) 1254 Enclave Parkway, Suite 625, Houston, TX 77077

# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2021

<b>14</b>	<b>Stocks</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Raw materials and consumables	1,890,534	1,969,708
	Work in progress	116,793	50,515
		<u>2,007,327</u>	<u>2,020,223</u>
<b>15</b>	<b>Debtors</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year:</b>		
	Trade debtors	4,941,674	3,890,977
	Amounts due from parent and fellow subsidiary undertakings	1,101,976	882,127
	Corporation Tax	221,433	114,076
	Other debtors	108,888	409,269
	Prepayments and accrued income	1,009,211	741,481
		<u>7,383,182</u>	<u>6,037,930</u>
	<b>Amounts falling due after one year:</b>		
	Amounts due from subsidiary undertakings	7,509,167	5,260,435
		<u>7,509,167</u>	<u>5,260,435</u>
	<b>Total debtors</b>	<u>14,892,349</u>	<u>11,298,365</u>
	Interest is charged on the amounts due from parent and fellow subsidiary undertakings at a rate of interest of 4% (2020 - 4%).		
<b>16</b>	<b>Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Obligations under finance leases	104,427	89,414
	Trade creditors	1,894,780	1,265,583
	Amounts due to parent and fellow subsidiary undertakings	3,940,341	687,859
	Deferred tax	25,553	99,981
	Other taxation and social security	1,013,826	1,117,491
	Other creditors	54,753	43,040
	Accruals and deferred income	1,029,413	1,219,593
		<u>8,063,093</u>	<u>4,522,961</u>
<b>17</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Provisions	79,214	134,215
	Amounts due to parent and fellow subsidiary undertakings (note 18)	60,460,970	62,853,631
		<u>60,540,184</u>	<u>62,987,846</u>

# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 18 Loans and overdrafts

	2021 £	2020 £
Loans from parent and fellow subsidiary undertakings	<u>60,460,970</u>	<u>62,853,631</u>
Payable after one year	<u>60,460,970</u>	<u>62,853,631</u>

The bank hold a floating and fixed charge over all assets of the company.

Interest is charged on the amounts due from parent and fellow subsidiary undertakings at a rate of interest of 4% (2020 - 4%).

### 19 Deferred Tax

	£
The deferred tax included in the balance sheet is as follows:	
Included in debtors (note 15)	-
Included in creditors (note 16)	<u>(25,553)</u>

The deferred tax balance is made up as follows:

	£
Accelerated capital allowances	(214,444)
Short term timing differences	188,891
R&D expenditure credit	
	<u>(25,553)</u>

	£
At 1 June 2020	(99,981)
Deferred tax credit	(59,598)
Movement arising from the transfer of trade	<u>134,026</u>
At 31 May 2021	<u>(25,553)</u>

### 20 Retirement benefit schemes

#### Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Included in other creditors are pension contributions of £nil (2020 - £42,674).

The charge to profit and loss in respect of defined contribution schemes was £155,492 (2020 - £154,963).

### 21 Share capital

	2021 £	2020 £
Ordinary share capital Issued and fully paid		
1,022,528 Ordinary Shares of 25p each	<u>255,632</u>	<u>255,632</u>

# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2021

#### 22 Reserves

The purpose of the company's reserves is as follows:

The share premium reserve represents the premium arising on issue of equity shares, net of issue expenses.

The capital redemption reserve represents share capital repurchased by the company.

The other reserve is a merger reserve which represents the difference between nominal value of the shares issued and the fair value of assets acquired.

The profit and loss reserve represents the cumulative profit or losses.

#### 23 Financial commitments, guarantees and contingent liabilities

The bank hold a cross corporate guarantee which includes the companies: ICR Integrity Limited, Walker Technical Resources Limited, MOSS Mechanical On Site Services Limited, ICR Integrity (Group) Limited, ICR (Investment 2) Limited, ICR (Investment 1) Limited, ICR Integrity (Holdings) Limited, Omni Integrity Limited and ICR (Holdings 1) Limited

At the year end the total due to the bank by the group was £32,000,000 (2020 - £35,311,000).

The Group was refinanced in December 2019. Each company in the Group is party to a group guarantee of £4,000,000 in favour of Graphite Capital Partners. Consequently, Graphite Capital Partners VIII A LP, Graphite Capital Partners VIII B LP, Graphite Capital Partners VIII CLP, Graphite Capital Partners VIII D LP, Graphite Capital Partners VIII 'TOP UP FUND' A LP, Graphite Capital Partners VIII 'TOP UP FUND' B LP and Graphite Capital Co-Investment VIII LP provide a guarantee and indemnity of up to £4,000,000 to The Royal Bank of Scotland Plc with respect to the group's banking facilities.

#### 24 Operating lease commitments

##### Lessee

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	474,220	492,451
Between two and five years	1,124,109	1,340,639
In over five years	<u>1,779,872</u>	<u>2,037,562</u>
	<u>3,378,201</u>	<u>3,870,652</u>

#### 25 Finance lease obligations

The company use finance leases to acquire office equipment and plant and machinery. Future minimum lease payments due under finance leases:

	2021	2020
	£	£
Amount payable:		
Within one year	104,426	89,414
In two to five years	<u>-</u>	<u>-</u>
	<u>104,426</u>	<u>89,414</u>

# ICR INTEGRITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2021**

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### **26 Related party transactions**

The company has taken advantage of the exemption available in accordance with section 33 of FRS 102 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

### **27 Post balance sheet events**

No material events have occurred since the statement of financial position date that would affect the financial statements of the company.

### **28 Controlling party**

The immediate parent company is ICR Integrity (Group) Limited, a company registered in the United Kingdom.

The ultimate parent company is ICR (Holdings) 1 Limited, a company registered in the United Kingdom.

The Directors believe that no single party controls the Group.

Group consolidated accounts are prepared by ICR Integrity (Holdings) 1 Limited and are available from 57-59 Elmsfield Park, Holme, Carnforth, Lancashire, England, LA6 1RJ.