

**WALKER TECHNICAL RESOURCES
LIMITED**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MAY 2020



COMPANIES HOUSE

28 MAY 2021

EDINBURGH MAILBOX

WALKER TECHNICAL RESOURCES LIMITED

COMPANY INFORMATION

Directors	W G Rennie A McQuade E Robertson
Company number	SC140062
Registered office	H2 Claymore Avenue Aberdeen Energy Park Bridge of Don Aberdeen AB23 8GW
Auditor	Ernst & Young 4 th Floor, Marischal Square Broad Street Aberdeen AB10 1BL

WALKER TECHNICAL RESOURCES LIMITED

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WALKER TECHNICAL RESOURCES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2020

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

The directors have taken small company exemption from presenting their strategic report for the Company. Strategic report for the group has been presented in the ultimate parent company at ICR (Holdings) 1 Limited.

Principal activities

The principal activity of the company continues to be that of the provision of composite repair technology to the energy industry in the United Kingdom and in selected International markets.

All trade, except in relation to Iraq, was hived up to its parent company ICR Integrity Limited on 1st June 2017.

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	(appointed 9 December 2019)	A McQuade
W J Bayliss	(resigned 9 December 2019)	E Robertson

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

In accordance with the company's articles, a resolution proposing that Ernst & Young LLP be reappointed as 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 in the current year. The Group expects to deliver higher underlying EBITDA in FY21 than in FY20, with the bank term loan A being fully paid down in May 2021 as scheduled. While acknowledging underlying market uncertainty, management have prepared their going concern assessment to 31 May 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 31 May 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.

WALKER TECHNICAL RESOURCES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2020

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.

Subsequent Events

The continuing impact of COVID-19 on the future outlook of the business is set out in note 18 to the financial statements. No other 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

28 May 2021

WALKER TECHNICAL RESOURCES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2020

The directors are responsible for preparing 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.

WALKER TECHNICAL RESOURCES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WALKER TECHNICAL RESOURCES LIMITED

Opinion

We have audited the financial statements of Walker Technical Resources Limited for the year ended 31 May 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 19, 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 2020 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 the provisions available for small entities, in the circumstances set out in note 1.1 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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.

WALKER TECHNICAL RESOURCES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WALKER TECHNICAL RESOURCES LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

WALKER TECHNICAL RESOURCES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WALKER TECHNICAL RESOURCES LIMITED

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

Date: 28/5/2021

WALKER TECHNICAL RESOURCES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2020

	Notes	2020 £	2019 £
Turnover	3	1,258,286	4,697,045
Cost of sales		<u>(684,638)</u>	<u>(1,654,635)</u>
Gross profit		573,648	3,042,410
Administrative expenses		<u>(905,640)</u>	<u>(430,900)</u>
Operating (Loss)/Profit	4	(331,992)	2,611,510
Interest receivable and similar income	6	1,058,989	1,007,511
Interest payable and similar charges	7	<u>(29,605)</u>	<u>(28,466)</u>
Profit before taxation		697,392	3,590,555
Taxation	8	<u>(199,759)</u>	<u>(644,067)</u>
Profit for the financial year		<u>497,633</u>	<u>2,946,488</u>
Total comprehensive income for the year		<u>497,633</u>	<u>2,946,488</u>

WALKER TECHNICAL RESOURCES LIMITED

BALANCE SHEET

AS AT 31 MAY 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Debtors falling due within one year	9	249,127		143,093	
Debtors falling due after one year	9	27,534,025		26,705,855	
Cash at bank and in hand		4,562		15,776	
		<u>27,787,714</u>		<u>26,864,724</u>	
Creditors: amounts falling due within one year	10	<u>(1,094,711)</u>		<u>(340,837)</u>	
Net current assets		<u>26,693,003</u>		<u>26,523,887</u>	
Total assets less current liabilities		26,693,003		26,523,887	
Creditors: amounts falling due after more than one year	11	(773,420)		(1,041,529)	
Provisions for liabilities	12	<u>(484,864)</u>		<u>(545,272)</u>	
Net assets		<u>25,434,719</u>		<u>24,937,086</u>	
Capital and reserves					
Called up share capital	14	100		100	
Share premium account	15	28,776		28,776	
Profit and loss reserves		<u>25,405,843</u>		<u>24,908,210</u>	
Total equity		<u>25,434,719</u>		<u>24,937,086</u>	

The financial statements were approved by the board of directors and authorised for issue on 28 May 2021 and are signed on its behalf by:



A McQuade
Director

Company Registration No. SC140062

WALKER TECHNICAL RESOURCES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2020

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 June 2018	100	28,776	21,961,722	21,990,598
Year ended 31 May 2019:				
Profit and total comprehensive income for the year	-	-	2,946,488	2,946,488
Balance at 31 May 2019	100	28,776	24,908,210	24,937,086
Year ended 31 May 2020:				
Profit and total comprehensive income for the year	-	-	497,633	497,633
Balance at 31 May 2020	<u>100</u>	<u>28,776</u>	<u>25,405,843</u>	<u>25,434,719</u>

WALKER TECHNICAL RESOURCES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies

Company information

Walker Technical Resources Limited is a company limited by shares incorporated in Scotland. The registered office 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 the provisions of FRS 102 "The Financial Reporting Standard applicable in the UK & Republic of Ireland" ("FRS 102") Chapter 1A Small Entities. There were no material departures from the standard.

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.

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 in the current year. The Group expects to deliver higher underlying EBITDA in FY21 than in FY20, with the bank term loan A being fully paid down in May 2021 as scheduled. While acknowledging underlying market uncertainty, management have prepared their going concern assessment to 31 May 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 31 May 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.

WALKER TECHNICAL RESOURCES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies (continued)

1.3 Turnover (continued)

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

1.4 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.

1.5 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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.

WALKER TECHNICAL RESOURCES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies (continued)

1.5 Financial instruments (continued)

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.

1.6 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.

1.7 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.

WALKER TECHNICAL RESOURCES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies (continued)

1.8 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.

1.9 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.

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:

- Interest rate on inter-company interest (notes 9,10 and 11)

3 Turnover

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

	2020 £	2019 £
Turnover		
Materials	501,674	3,856,257
Labour	756,612	840,788
	<u>1,258,286</u>	<u>4,697,045</u>

Turnover analysed by geographical market

	2020 £	2019 £
Middle East	<u>1,258,286</u>	<u>4,697,045</u>

WALKER TECHNICAL RESOURCES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2020

4 Operating loss

	2020 £	2019 £
Operating profit for the year is stated after (crediting)/charging:		
Exchange (gains)/losses	<u>20,154</u>	<u>370</u>

The audit fees for the year were borne by another group company.

5 Employees

The company had no employees during 2020 or 2019.

6 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest receivable from group companies	<u>1,058,989</u>	<u>1,007,511</u>
	<u>1,058,989</u>	<u>1,007,511</u>

7 Interest payable and similar charges

	2020 £	2019 £
Interest payable to group undertakings	<u>29,605</u>	<u>28,466</u>
	<u>29,605</u>	<u>28,466</u>

8 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on loss for the period	161,462	666,823
Adjustment in respect of previous periods	(23,126)	(21,943)
Foreign tax relief	-	(389,894)
Foreign tax suffered	62,482	389,894
Foreign tax adjustment in respect of prior periods	<u>5,907</u>	<u>-</u>
Total current tax charge	<u>206,725</u>	<u>644,880</u>
Deferred Tax		
Origination & reversal of timing differences	(7,786)	(1,633)
Adjustment in respect of previous periods	-	-
Effect of changes in tax rates	<u>820</u>	<u>820</u>
	<u>(6,966)</u>	<u>(813)</u>
Total tax charge	<u>199,759</u>	<u>644,067</u>

WALKER TECHNICAL RESOURCES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2020

8 Taxation (continued)

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

	2020 £	2019 £
Profit before taxation	697,392	3,590,555
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2019:19%)	132,504	682,205
Tax effect of expenses that are not deductible in determining taxable profit	33,045	1,442
Income not taxable	(11,872)	-
Adjustment to tax in respect of previous periods	(17,219)	(21,943)
Effects of group relief	-	(24,610)
RDEC	-	6,153
Impact of changes in UK tax rate	820	820
Effects of overseas tax rates	62,481	-
Tax expense for the year	<u>199,759</u>	<u>644,067</u>

9 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	114,129	48,000
Corporation Tax	134,189	5,426
Amounts due from parent and fellow subsidiary undertakings	-	-
Other debtors	809	3,667
Withholding Tax	-	-
Prepayments and accrued income	-	86,000
	<u>249,127</u>	<u>143,093</u>
Amounts falling due after one year:		
Amounts due from parent and fellow subsidiary undertakings	<u>27,534,025</u>	<u>26,705,855</u>
Total debtors	<u>27,783,152</u>	<u>26,848,948</u>

Interest is charged on the amounts due from parent and fellow subsidiary undertakings at a rate of interest of 4% (2019 - 4%).

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts due to parent and fellow subsidiary undertakings	538,549	340,865
Other taxation and social security	39,236	-
Other creditors	516,926	(28)
	<u>1,094,711</u>	<u>340,837</u>

Interest is charged on the amounts due to parent and fellow subsidiary undertakings at a rate of interest of 4% (2019 - 4%).

WALKER TECHNICAL RESOURCES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2020

11 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Amounts due to parent and fellow subsidiary undertakings	773,420	1,041,529
	<u>773,420</u>	<u>1,041,529</u>

12 Provisions for liabilities

	Deferred tax liabilities £	Foreign tax provision £	Total £
Provision at start of year	41,800	503,472	545,272
Credit in the year	(6,967)	(53,441)	(60,408)
Adjustments in respect of prior years	-	-	-
Movement arising on transfer of trade	-	-	-
Provision at end of year	<u>34,833</u>	<u>450,031</u>	<u>484,864</u>

The company remains in dialogue with local advisors in respect of potential tax exposure in Iraq. The Iraq tax authorities notified Walker Technical Resources Limited of potential liability last year triggered by historic trading activity in Iraq.

These financial statements reflect the filing position advised by local experts. Tax returns will be submitted in 2020 and the filing position is open to challenge by the Iraq tax authorities and the final liability is therefore unknown to an extent. An unquantified element of any additional Iraq exposure is likely to be offset by UK double taxation relief.

13 Deferred taxation

The following is the analysis of the deferred tax balances for financial reporting purposes:

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	-	-
Other short-term differences	41,800	47,953
R&D expenditure credit	(6,967)	(6,153)
	<u>34,833</u>	<u>41,800</u>

14 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

15 Share premium account

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

WALKER TECHNICAL RESOURCES LIMITED

STATEMENT OF CHANGES IN EQUITY

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16 Financial commitments, guarantees and contingent liabilities

The bank hold a cross corporate guarantee which includes the companies: ICR Integrity Limited, Walker Technical Resources Limited, North East Corrosion Engineers Limited, MOSS Mechanical On Site Services Limited, Chemical Injection Utilities Limited, ICR Integrity (Group) Limited, ICR (Investment 2) Limited, ICR (Investment 1) Limited, and ICR Integrity (Holdings) Limited.

At the year end the total due to the bank by the group was £35,311,000 (2019 - £36,820,000).

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.

17 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.

18 Post balance sheet events

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 the overall group revenues in the current year. Office based staff have adapted well to working from home and international sales and business development activity is now conducted remotely.

19 Controlling party

The immediate parent company is ICR Integrity 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 (Holdings) 1 Limited and are available from 57-59 Elmsfield Park, Holme, Carnforth, Lancashire, England, LA6 1RJ.