

**ALS Inspection UK Limited**

**Annual report and financial statements**

**31 March 2023**

**Registered number 1218386**

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## **Strategic Report**

### **Principal activities**

The Company's registered head office is in Knowsley, United Kingdom where it employs 129 people. The Company's principal activities are the inspection and analysis of metals, minerals and ores.

### **Business model**

As part of the Australian stock exchange listed ALS Limited group of companies, ALS Inspection UK Limited is positioned in the Commodity Inspection Division. The Inspection Division inspects, weighs, samples, analyses and reports on the quantity and quality of commodities to produce findings that can be used for final commercial settlement purposes.

ALS Inspection UK Limited provides accurate, global Inspection & Analysis services for metals, minerals, ores, precious metals, Ferro alloys and solid fuels. Teams of surveyors are strategically located in major ports, smelters, refineries, steelworks and warehouses around the world to undertake precise inspection and sampling of commodities. Samples are dispatched to Hub labs such as that in the UK with analytical results being used for commercial exchange purposes between buyer and seller.

ALS Inspection UK Limited boasts one of the foremost umpire and party analysis laboratories in the world. All sampling and sample preparation operations are undertaken to the highest of international standards and our laboratory is ISO 17025:2005 accredited.

### **Business review and results**

The UK operation posted a strong above budget result, processing large sample numbers and delivering excellent technical and quality services.

Turnover rose 21% despite inspection services in China being affected by the ongoing Covid restrictions and disruptions in the first half of the year. The second half of the year growth across both revenue streams, once China lifted restrictions, was very evident.

Underlying operating margin fell slightly as the growth in sales were predominantly inspection services which has a lower margin than analytical services.

The Company continued to invest in its people, new instrumentation, plant and equipment to improve performance and increase capacity, and is poised to build on this successful year with continued growth.

### **Key performance indicators**

The Company's KPI's are, in addition to financial performance, measured by the following parameters:

- Sample throughput (numbers) in each laboratory
- Sample turn around times (in all laboratory activities)
- Number of re-tests (accuracy)
- Commodity tonnages inspected

### **Principal risks and uncertainties**

The ALS Group has an enterprise-wide risk management framework that is structured to ensure its material business risks and controls are captured, assessed and regularly reviewed in a consistent manner. The key material business risks and associated mitigation controls identified include:

- Financial Risks such as liquidity risk, interest rate risk, foreign exchange risk, and credit risk (counterparty exposure). Group treasury and cash management policies are in place to mitigate these risks, and key indicators are monitored monthly.

## Strategic Report (continued)

### Principal risks and uncertainties (continued)

- ALS has a reliance on IT systems and infrastructure to manage and store its data. Significant actions were taken throughout the year to mitigate cyber risk. This includes testing back-up systems and redundant servers located at offsite data centres, updating disaster recovery plans, delivering cyber security awareness training to employees, improvements in monitoring the network, and having information management policies and procedures in place.
- Safety risks are inherent within both the laboratory and when fulfilling inspection services, these are mitigated by our Group's core value of "safety is a priority". Management have implemented a robust safety management system, employed significant HSE resources, and through their strong leadership are developing a culture of safety, overseen by the ALS Group's Sustainability and Innovation Committee.
- Businesses within ALS have a compliance program raising awareness on numerous legal and regulatory obligations (such as those relating to bribery and corruption, sanctions, and privacy and data protection) and the controls needing to be adhered to ensure compliance, are documented in Group policies. Online and in-person training to raise awareness and understanding of obligations and reinforce compliance, together with annual compliance sign-off by relevant managers.
- Furthermore, geopolitical risks such as trade wars (USA v China) and sanctions (Cuba, Russia) can affect the volumes of commodities traded and the routes that said commodities flow and are traded across. There may also be changes in the trade dynamics of raw materials, especially coal and steel related raw materials. ALS ensure these are closely monitored to limit exposure to credit risk, maximise opportunities whilst remaining compliant to regulations as above.
- The Russia/Ukraine conflict has had little effect, however local management together with ALS's Group Compliance department continue to monitor sanction lists and keep up to date with the most recent guidance on client ownership structures. All new and existing clients are assessed and monitored regularly. Several clients were identified as being Russian based companies, and all works have been ceased until the sanctions are lifted. The Russian based joint venture investment of £133,823 in Stewart Geo Chemical and Assay LLC was fully impaired.
- Brexit has not affected trade with ALS Inspection UK Limited in a negative way to date. The company continues to monitor the topic, reacting and adapting to any changes to shipping, trade and taxes to ensure compliance and efficiencies are maintained.
- COVID 19 pandemic's effect on world trade, travel, and supply chains improved over FY22 and by the end of FY23 had effectively ended. The Company is aware of the risk of a reoccurrence of the pandemic.
- Inflationary pressures and the UK's 'cost of living crisis' affects costs, especially linked to shipping, the supply of goods and services, and also market wages which collectively poses a risk to margins and staff recruitment/retention. Management constantly review margins, profitability and pricing, adjusting where necessary. Attracting and retaining staff is key to the success of the company.

The Company continues to operate cautiously with safety, cost and margin control at the forefront of its operations.

## Strategic Report *(continued)*

### Future developments

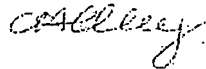
#### *Inspection Division Outlook*

FY24 has commenced positively. The company has posted results in excess of budget expectations and 2023 actuals. The outlook for the remainder of FY24 is positive and on track with the Company strategy.

Samples diverted to the ALS Patagonia laboratory in FY2024 are expected to lower Analytical services revenue, but Inspection revenue is forecast to continue to grow.

The directors consider that the fundamentals of the Company remain strong and margins are robust.

By order of the board.



**G Coiley**  
*Director*

Caddick Road  
Knowsley Business Park  
Prescot  
Merseyside  
L34 9HP

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2023.

### Results

The profit for the year, after taxation, amounted to £9,011,127 (2022: £19,864,718).

### Going Concern

The financial statements have been prepared on a going concern basis.

The directors have forecast the likely cash requirements of the Company for the period to 31 December 2024 and are satisfied that they will have access to sufficient liquidity based on current internal forecasts and projections.

The directors have also received confirmation of ongoing financial support from the ultimate parent undertaking for a period to 31 December 2024. Having made appropriate enquiries of the ability of the parent to provide such support, should it be required, the directors have therefore concluded that the Company is a going concern for a period to 31 December 2024.

### Dividends

On 23rd June 2022, 29th September and 16th November 2022, the Company paid dividends to Stewart Holdings Management Limited of £4,000,000, £162,812 and £3,300,000 respectively (2022: £40,807,404).

A final dividend has been proposed for the year ended 31 March 2023 of £1,961,900. The dividend has not been accounted for within the current year financial statements as it had not been approved within the period. The dividend was paid on 24th May 2023.

### Directors

The directors who held office during the year were as follows:

J Smyth (Resigned 1 April 2023)  
L Holy  
M Pearson  
G Coiley (Appointed 16 August 2022)  
N Le Fondre (Appointed 1 April 2023)

All directors benefitted from qualifying third-party indemnity provisions in place and at the date of this report.

### Environment

The Company recognises the importance of its environmental responsibilities and operates in accordance with Company policies. Initiatives designed to minimise the Company's impact on the environment include the safe disposal of waste arising from operations, in particular that of laboratory waste.

### Employees

The Company is committed to providing staff and management training designed to encourage the necessary attitudes and skills to foster good communication and consultation at all levels with a view to informing and involving staff in the progress of the Company and its future. Communication with all employees is conducted through the regular dissemination of relevant information, announcements and meetings with management.

The Company is committed to all aspects of staff training. This is achieved through on the job training and through other local and national training and development initiatives.

## **Directors' report** *(continued)*

### **Employment of disabled persons**

The Company operates an equal rights policy across all its subsidiaries.

### **Political and charitable contributions**

The Company made no political or charitable donations in the year: (2022: nil).

### **Post balance sheet events**

For more details on post balance sheet events refer to note 23 of the accounts.

### **Other information**

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report.

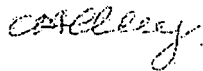
### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

Ernst & Young LLP were re-appointed as the auditor of the Group.

By order of the board



**G Coiley**  
*Director*

Date: 21 September 2023

Caddick Road  
Knowsley Business Park  
Prescot  
Merseyside  
L34 9HP

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 company financial statements in accordance with requirements of the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK accounting standards, including FRS 102, 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 company 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.



## Section 172(1) Statement & Stakeholder Engagement

The Directors understand their duty to promote the success of the Company for the benefit of its members as a whole, while considering the Company's long-term decisions and the impacts on, and views of, the wider stakeholder groups.

The main stakeholders of the business include employees, suppliers and the shareholders.

For the Company 'success' means continuing the strong and sustainable growth strategies which have made us a successful global company, whilst maintaining rewarding partnerships we share with our clients, business partners, employees, shareholders and communities.

In the following statement we will consider each of the sub-sections of s.172 and how the Directors have acted, during the year, in accordance with them.

### Principal decisions

For year ending 31<sup>st</sup> March 2023, the directors consider that the following are examples of principle decisions that it has made in the year:

- Approval and execution of the annual business plans
- Managing inflationary and economic measures
- Review business approach to Russian sanctions

a) the likely consequences of any decision in the long term	<p>All decisions that the Directors make on behalf of the Company are following a thorough review of the likely consequences and potential impact on the business in the long term. These decisions consider legal and social implications.</p> <p>The parent company, ALS Limited, a company listed on the Australian stock exchange, is consulted on key decisions to ensure the wider implications for the group are fully considered.</p>
b) the interests of the Company's employees	<p>The Directors consider it an important part of the business to engage employees and promote employee welfare through its decision-making process. Various activities and channels are made available for employees to engage with the business and have an input to decisions taken. These include an annual global engagement survey to track employee feedback against key targets, employee suggestion boxes and employee involved focus groups for sustainability, community projects and social interaction.</p> <p>The Directors also continue to work in the area of diversity and inclusion, which is a core value of the Company across all areas of the business.</p>

**Section 172(1) Statement & Stakeholder Engagement (continued)**

c) the need to foster the Company's business relationships with suppliers, customers and others	<p>The Directors actively promote the use of a variety of channels in order to foster positive relationships with each of the main stakeholder groups.</p> <p>Customers - Client surveys; regular meetings; marketing media. Contracts are monitored and targets tracked against customer expectations.</p> <p>Suppliers – All newly appointed suppliers undergo checks on the basis of quality before becoming approved suppliers, and performance levels are tracked and audited by the quality teams. Service providers are paid in accordance with their terms of business.</p> <p>Others – The Directors receive regular feedback from the Board of ALS limited in regard to Shareholder and Investor meetings.</p>
d) the impact of the Company's operations on the community and the environment	<p>The Directors ensure the company meets all compliance requirements concerning the community, the environment and sustainability. The Company reports its Carbon emissions annually. Each business is required to set and drive sustainability programs in order that the global ALS business meets its ambitious plans to reduce carbon footprint. The UK business has a 5-year sustainability plan together with targets relating to reduction in energy consumption per year.</p>
e) the desirability of the Company maintaining a reputation for high standards of business conduct	<p>The Directors fully support the Company compliance and governance framework, including the Code of Conduct. The Directors actively promote the policies through supporting regular training for all employees to ensure they understand their responsibilities.</p> <p>The Directors expect all employees to demonstrate high standards of business conduct and actively encourage the reporting of concerns of unethical or illegal business practices.</p>
f) the need to act fairly as between members of the Company	<p>The Company is wholly owned by ALS Limited, a company listed on the Australian stock exchange, and regular reporting is undertaken with regards to company performance and contribution to the wider group.</p> <p>Decisions made by the Directors are closely monitored by the group board.</p>

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALS INSPECTION UK LIMITED**

### **Opinion**

We have audited the financial statements of ALS Inspection UK Limited for the year ended 31 March 2023 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 23, 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 March 2023 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. 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 to 31 December 2024.

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

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 this gives rise to 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALS INSPECTION UK LIMITED - continued**

**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 6, 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 ALS INSPECTION UK LIMITED - continued

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

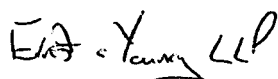
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not 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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those relating to the financial reporting framework (FRS 102), the Companies Act 2006 and the relevant direct and indirect tax compliance regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations including health and safety at work, anti-bribery and corruption regulations and General Data Protection Regulations.
- We understood how ALS Inspection UK Limited is complying with those frameworks by making enquiries of management, including those charged with governance, to understand how the Company maintains and communicates its policies and procedures in these areas and to understand the controls put in place to reduce the risk of non-compliance. We corroborated our enquiries through reading the minutes of board meetings and from other audit evidence obtained during the course of the audit.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through internal team discussions and enquiry with management and those charged with governance. We considered the risk of management override and assumed revenue to be a fraud risk, specifically as a result of manual journals posted to revenue throughout the year.
- In relation to management override we incorporated data analytics into our testing of manual journals, including segregation of duties, and into our testing of revenue recognition. We tested specific transactions back to source documentation.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on journals meeting defined risk criteria based on our understanding of the business and by enquiries with those charged with governance and senior management for their awareness of non-compliance with laws and regulations.

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.



Michael Harvey (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Liverpool

Date: 21 September 2023

**Profit and Loss Account**  
*for year ended 31 March 2023*

	Note	2023 £	2022 £000
Turnover	2	22,984	18,931
Cost of sales		(12,600)	(9,668)
<b>Gross profit</b>		<b>10,384</b>	<b>9,263</b>
Administrative expenses		(5,086)	(4,374)
Other income	6	-	20,719
Impairment of Investments	11	(6,526)	(16,126)
<b>Operating profit</b>	<b>3</b>	<b>(1,228)</b>	<b>9,482</b>
Income from shares in group undertakings	7	11,260	11,335
Other interest payable and similar charges	8	(2)	-
<b>Profit on ordinary activities before taxation</b>		<b>10,030</b>	<b>20,817</b>
Tax on profit on ordinary activities	9	(1,019)	(952)
<b>Profit for the financial year</b>		<b>9,011</b>	<b>19,865</b>

All turnover and operating profits in both financial periods are derived from continuing operations.

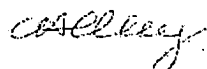
There was no other comprehensive income in the periods presented; therefore, no statement of other comprehensive income has been prepared. Total comprehensive income is equal to profit for the year in the periods presented.

The notes on pages 15 to 29 form part of the financial statements.

**Balance Sheet**  
*at 31 March 2023*

	Note	2023 £	2022 £000	£000
<b>Fixed assets</b>				
Tangible assets	10	2,264	2,304	
Investments	11	25,740	32,266	
		<u>28,004</u>	<u>34,570</u>	
<b>Current assets</b>				
Stocks	12	213	211	
Debtors	13	20,519	11,597	
Cash at bank and in hand	14	762	371	
		<u>21,494</u>	<u>12,179</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(6,089)</u>	<u>(4,898)</u>	
<b>Net current assets</b>		<u>15,405</u>	<u>7,281</u>	
<b>Total assets less current liabilities</b>		<u>43,409</u>	<u>41,851</u>	
<b>Provisions for liabilities</b>				
Deferred tax liability	16	<u>(379)</u>	<u>(369)</u>	
		<u>(379)</u>	<u>(369)</u>	
<b>Net assets</b>		<u>43,030</u>	<u>41,482</u>	
<b>Capital and reserves</b>				
Called up share capital	18	150	150	
Profit and loss account		<u>42,880</u>	<u>41,332</u>	
<b>Shareholders' funds</b>		<u>43,030</u>	<u>41,482</u>	

These financial statements were approved by the board of directors on 21<sup>st</sup> September 2023 and were signed on its behalf by:



**G Coiley**  
*Director*

Company registered number: 1218386

The notes on pages 15 to 29 form part of the financial statements.

**Statement of Changes in Equity**  
*for the year ended 31 March 2023*

	Called up Share capital	Profit and loss account	Total equity
	£000	£000	£000
Balance at 1 April 2021	150	62,274	62,424
<b>Total comprehensive income for the period</b>			
Profit or loss	-	19,865	19,865
Other comprehensive income	-	-	-
<b>Total comprehensive income for the period</b>	<b>150</b>	<b>19,865</b>	<b>19,865</b>
Dividends	-	(40,807)	(40,807)
<b>Balance at 31 March 2022</b>	<b>150</b>	<b>41,332</b>	<b>41,482</b>
Balance at 1 April 2022	150	41,332	41,482
<b>Total comprehensive income for the period</b>			
Profit or loss	-	9,011	9,011
<b>Total comprehensive income for the period</b>	<b>150</b>	<b>50,343</b>	<b>50,493</b>
Dividends	-	(7,463)	(7,463)
<b>Balance at 31 March 2023</b>	<b>150</b>	<b>42,880</b>	<b>43,030</b>

The notes on pages 15 to 29 form part of the financial statements.



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

ALS Inspection UK Limited (the "Company") is a company limited by shares and incorporated and domiciled in the United Kingdom.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014.

The amendments to FRS 102 issued in January 2022 and March 2018 along with any triennial review amendments from December 2017 that are effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

These financial statements contain information about ALS Inspection UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its parent ALS Limited. The consolidated financial statements of ALS Limited are available to the public and may be obtained from the address in note 22. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

The financial statements have been prepared on a going concern basis.

The directors have forecast the likely cash requirements of the Company for the period to 31 December 2024 and are satisfied that they will have access to sufficient liquidity based on current internal forecasts and projections.

The directors have also received confirmation of ongoing financial support from the ultimate parent undertaking for a period to 31 December 2024. Having made appropriate enquiries of the ability of the parent to provide such support, should it be required, the directors have therefore concluded that the Company is a going concern for a period to 31 December 2024.

## Notes (continued)

### 1 Accounting policies (continued)

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) and key sources of estimation uncertainty that have the most significant effect on amounts recognised in the financial statements:

#### Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

#### Investments

Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

The Company has non-current assets in the form of investments in subsidiaries. The Company determines on an annual basis whether there are any conditions, either internal or external to the Company, that may indicate that the carrying value of any of those assets is impaired and whether a full impairment exercise is required to be carried out.

Where indicators of impairment exist, the carrying value of certain investments is supported by models used to calculate the value in use of the underlying businesses. These models have a range of inputs including discount rates which are subject to significant uncertainty.

#### 1.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### 1.5 Basic financial instruments

##### Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

**Notes (continued).**

**1 Accounting policies (continued)**

**1.6 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.12 below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

buildings	10 to 100 years
plant and equipment	4 to 10 years
fixtures and fittings	3 to 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits. Depreciation is not charged on assets under the course of construction.

**1.7 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

**1.8 Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.9 Impairment

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

#### 1.10 Employee benefits

##### *Defined contribution plans and other long term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

#### 1.11 Turnover

Turnover represents the value of services rendered excluding value added tax. Revenue from services rendered is recognised based on the stage of completion.

Accrued income represents the value of services performed that have not been invoiced.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.12 Expenses

##### *Operating leases*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

##### *Finance leases*

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

#### 1.13 Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

#### 1.14 Dividend receivable and dividend payable

Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Dividend expenses are recognised in the statement of changes in equity on the date that they are approved by the shareholders.

#### 1.15 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates, branch, joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

**1 Accounting policies (continued)**

**1.16 Government grants**

Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough').

**2 Turnover**

	2023 £	2022 £000
Rendering of services	22,984	18,931
Total turnover	<u>22,984</u>	<u>18,931</u>

**By geographical market**

	2023 £	2022 £000
Europe	9,115	7,516
Rest of the world	13,869	11,415
Total turnover	<u>22,984</u>	<u>18,931</u>

**3 Operating Profit and auditor's remuneration**

*Included in operating profit are the following:*

	2023 £	2022 £000
Gain on foreign currencies	(8)	(161)
Depreciation	303	320
Operating lease costs	41	39
Gain on disposal of subsidiaries	-	(20,710)
Impairment of subsidiaries	6,526	16,126

*Auditor's remuneration:*

	2023 £	2022 £000
Audit of these financial statements	<u>55</u>	<u>52</u>

**Notes (continued)**

**4 Staff numbers and costs**

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2023	2022
Operations	102	101
Administration	27	27
	<u>129</u>	<u>128</u>

The aggregate payroll costs of these persons were as follows:

	2023 £	2022 £000
Wages and salaries	4,082	3,523
Social security costs	464	464
Contributions to defined contribution plans	314	313
	<u>4,860</u>	<u>4,300</u>

Redundancy costs (included in wages and salaries) were £3,328 in the year (2022: nil).

**5 Directors' remuneration**

No directors received any emoluments during the current or prior financial period in respect of their services to this company. All directors and officers are remunerated by the wider group. Services to ALS Inspection UK Limited are considered to be immaterial.

**6 Other Income**

	2023 £	2022 £000
Government Support	-	9
Profit on Sale of Investment	-	20,710
	<u>-</u>	<u>20,719</u>

Government Support received is in relation to the Coronavirus Job Retention Scheme (CJRS). The CJRS grant relates to staff who have been furloughed due to COVID-19. There are no unfulfilled conditions or other contingencies attached to these grants. The Company did not benefit directly from any other forms of Government assistance.

On 15 October 2021 the company sold its entire 100% holding in Omac Laboratories Limited to Stewart Holdings Management Limited for £24,299,460 realising a profit on sale of £20,710,129.

**7 Income from shares in group undertakings**

	2023 £	2022 £000
Dividend income	11,260	11,335
	<u>11,260</u>	<u>11,335</u>

**Notes (continued)**

**8 Other Interest payable and similar charges**

	2023 £000	2022 £000
Interest payable	2	-
Total interest payable and similar charges	2	-

**9 Taxation**

**Total tax expense recognised in the profit and loss account**

	2023 £	2022 £000	£000
<i>Current tax</i>			
Current tax on income for the period	910	786	
Adjustments in respect of prior periods	(53)	(63)	
Double tax relief	(167)	(132)	
Foreign tax	319	257	
Total current tax	1,009	848	
<i>Deferred tax (see note 16)</i>			
Origination and reversal of timing differences	10	22	
Adjustment in respect of prior periods	-	(2)	
Change in tax rate	-	84	
Total deferred tax	10	104	
Total tax	1,019	952	

	2023 £000	2023 £000	2023 £000	2022 £000	2022 £000	2022 £000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	1,009	10	1,019	848	104	952
Total tax	1,009	10	1,019	848	104	952

**Analysis of current tax recognised in profit and loss**

	2023 £	2022 £000
UK corporation tax	857	723
Double taxation relief	(167)	(132)
Foreign tax	319	257
Total current tax recognised in profit and loss	1,009	848



**Notes (continued)**

**9 Taxation (continued)**

**Reconciliation of effective tax rate**

	2023 £	2022 £000
Profit for the year	9,011	19,865
Total tax expense/(credit)	1,019	952
Profit excluding taxation	10,030	20,817
Tax using the UK corporation tax rate of 19% (2022: 19%)	1,906	3,955
Fixed asset differences	(13)	(8)
Expenses not deductible for tax purposes	67	3,069
Change in tax rate on deferred tax balances	-	88
Tax exempt income/non-deductible expenses	(899)	(6,089)
(Over)/under provided in prior years	(53)	(64)
Foreign tax – tax rate difference	152	125
Group relief (claimed)/surrendered	(141)	(124)
Total tax expense included in profit or loss	1,019	952

From 1 April 2023 the main rate of Corporation Tax will increase to 25%. As at 31 March 2023 any deferred tax is calculated at 25%.

**10 Tangible fixed assets**

	Buildings £000	Plant and Equipment £000	Fixtures & fittings £000	Total £000
<b>Cost</b>				
Balance at 1 April 2022	2,105	2,889	341	5,335
Additions	89	159	16	264
Disposals	(7)	(4)	(9)	(20)
Balance at 31 March 2023	2,187	3,044	348	5,579
<b>Depreciation and impairment</b>				
Balance at 1 April 2022	916	1,788	327	3,031
Depreciation charge for the year	94	195	14	303
Disposals	(7)	(3)	(9)	(19)
Balance at 31 March 2023	1,003	1,980	332	3,315
<b>Net book value</b>				
At 1 April 2022	1,189	1,101	14	2,304
At 31 March 2023	1,184	1,064	16	2,264

**Notes (continued)**

**10 Tangible fixed assets (continued)**

*Land and Buildings*

The net book value of land and buildings comprises:

	2023 £	2022 £000
Long leasehold	1,165	1,189
	<u>1,165</u>	<u>1,189</u>

**11 Fixed asset investments**

	Shares in group undertakings £000
Cost and net book value	
At 1 April 2022	32,266
Additions	-
Disposals	-
Impairment of investments	(6,526)
At 31 March 2023	<u>25,740</u>

On 1 October 2022, the trade and assets and liabilities of ALS Environmental Limited were transferred to ALS Laboratories Limited at a book value of £8,961,900. From that date, ALS Environmental Limited ceased trading. As a result, of the reorganisation, the directors completed an impairment review and as a result, an impairment of £6,378,326 (2022: £16,126,486) was recorded on ALS Environmental Limited.

A full impairment of the £133,825 investment in Stewart Geo Chemical and Assay LLC was made in response to the sanctions imposed on the Russian based entity.

A £13,823 investment in Alex Stewart Geoquimica Brasil Ltda was fully impaired.

The Company has the following investments in subsidiaries and jointly controlled entities:

	Aggregate Profit or of capital loss for and the year reserves	Country of incorporation	Registered Office Address	Class of shares held	Ownership 2023 & 2022
	£000	£000			%
ALS Environmental Limited	2,545	1,879	United Kingdom Torrington Avenue, Coventry, CV4	Ordinary	100
ALS Laboratories (UK) Limited	19,531	4,145	United Kingdom Unit 7 & 8 Aspen Court, Bessemer Way, Rotherham, S60	Ordinary	100
Beldutch Holdings BV	1,793	(865)	Holland Geysendorfferweg 58, 3088 GK Rotterdam	Ordinary	100
ALS Inspection LLC	202	164	Mongolia Mongol Nekhmel building, 2 <sup>nd</sup> khoroo, Chinggis Avenue, Khan-Uut District Ulaanbaatar 17042	Ordinary	100

**Notes (continued)**

**11 Fixed asset investments (continued)**

	Aggregate Profit or of capital loss for and the year reserves £000	£000	Country of incorporation	Registered Office Address	Class of shares held	Ownership 2023 & 2022
ALS Inspection Netherlands BV	718	(127)	Holland	Geyssendorffterweg 58, 3088 GK Rotterdam	Ordinary	100
ALS Inspection Belgium NV	2,242	614	Belgium	Vosveld 8A Wijnegem Antwerp B-2110	Ordinary	100
Alex Stewart Deutschland GmbH	272	3	Germany	Mülheimer Str. 193 47058 Duisbur	Ordinary	100
ALS Group Assayers Limited	(4)	(11)	United Kingdom	Caddick Road, Knowsley Business Park, Prescot, UK L34	Ordinary	100
Alex Stewart TES Bredby BV	18	(93)	Holland	Geyssendorffterweg 58, 3088 GK Rotterdam	Ordinary	100
Stewart Inspection & Analysis Limited (Mauritania)	(1)	0	Mauritania	Avenue Habib Bouguiba ZGE 0017E KSAR, Nouakchott	Ordinary	100
ALS Kazakhstan LLC	5,079	1,533	Kazakhstan	181/3 Abay ave., Ust- Kamenogorsk, Kazakhstan, 070006	Ordinary	100
ALS Inspection South Korea Limited	(419)	(40)	South Korea	2nd Floor, Shinkyong-Gil 11, Onsan-Eup, Ulju-Gun, South Korea. 45005	Ordinary	100
ALS Inspection Mozambique Service, LDA	101	4	Mozambique	Rua Joé slovo No 102 1 Andar, Esquerdo, Maputo	Ordinary	100
ALS Inspection Mexico S.R.L de C.V.	(50)	(103)	Mexico	Recinto Portuario, Zona Franca S/N, Carretera Tramo #3, Col. Punta Arena, Guaymas, CP 85430	Ordinary	100
ALS Kazgeochemistry LLP	4,756	390	Kazakhstan	125-uchetnyy kvartal, 125/1, Karaganda, 100000	Ordinary	80
Australian Laboratory Services Co.Limited	279	117	Sudan	Building No 64, Square 15, Al- Riyah, Khartoum	Ordinary	99
Australian Laboratory Services Company Limited	255	274	Egypt	14 Street 101, AL Herfia, Marsa Alam	Ordinary	99
<b>Associated Undertakings – joint ventures</b>						
Stewart Geo Chemical and Assay LLC	5,974	1,006	Russia	b.1, 8, Nauchnyy proezd, Moscow	Ordinary	50
ALS Inspection China Limited	2,158	377	China	Room D503, No.110, The Sixth street, TEDA District, Tianjin, China	Ordinary	80

**Notes (continued)**

**12 Stocks**

	2023 £	2022 £000
Raw materials and consumables	213	211
	<u>213</u>	<u>211</u>

Raw materials and consumables recognised as cost of sales in the year amounted to £1,145,892 (2022: £981,880).

**13 Debtors**

	2023 £	2022 £000
Trade debtors	3,586	2,964
Amounts owed by group undertakings	16,341	8,230
Taxation and social security	202	65
Prepayments and accrued income	390	338
	<u>20,519</u>	<u>11,597</u>
Due within one year	20,519	11,597
Due after more than one year	-	-
	<u>20,519</u>	<u>11,597</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

The increase in 'Amounts owed to group undertakings' is largely due to the build-up of cash pooled to Stewart Holdings Management Limited (£3,757,535) and debts owed by ALS Environmental Limited following the current year change in ownership (£4,362,900, settled in full in May 2023).

**14 Cash and cash equivalents**

	2023 £	2022 £000
Cash at bank and in hand	762	371
	<u>762</u>	<u>371</u>

**Notes (continued)**

**15 Creditors: amounts falling due within one year**

	2023 £	2022 £000
Trade creditors	2,750	1,997
Amounts owed to group undertakings	2,051	2,132
Taxation and social security	248	299
Accruals and deferred income	1,040	470
	<u>6,089</u>	<u>4,898</u>

All amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Accruals and deferred income includes contingent consideration of £309,469 relating to the purchase of ALS Group LLC.

**16 Deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	Assets 2023 £	2022 £000	Liabilities 2023 £000	2022 £000	Net 2023 £000	2022 £000
Accelerated capital allowances	-	-	379	369	379	369
Short term timing differences	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>379</u>	<u>369</u>	<u>379</u>	<u>369</u>
Tax (assets) / liabilities	-	-	379	369	379	369
	<u>-</u>	<u>-</u>	<u>379</u>	<u>369</u>	<u>379</u>	<u>369</u>
Net tax (assets) / liabilities	-	-	379	369	379	369
	<u>-</u>	<u>-</u>	<u>379</u>	<u>369</u>	<u>379</u>	<u>369</u>

**17 Employee benefits**

**Defined contribution plans**

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £313,828 (2022: £312,737)

**Notes (continued)**

**18 Capital and reserves**

**Share capital**

	2023 £	2022 £000
<i>Allotted, called up and fully paid</i>		
150,000 ordinary shares of £1 each	150	150
	<u>150</u>	<u>150</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

**Dividends**

Dividends totalling £7,462,812 were paid during the year, £49.75 per share (2022 £40,807,404 at £272.05 per share).

A dividend of £1,961,900 was proposed as at the year end and was subsequently paid to Stewart Holdings Management Limited on 24<sup>th</sup> May 2023.

**19 Operating leases**

Non-cancellable operating lease rentals are payable as follows:

	2023 £	2022 £000
Less than one year	40	39
Between one and five years	107	114
More than five years	1,082	980
	<u>1,229</u>	<u>1,133</u>

During the year £41,060 was recognised as an expense in the profit and loss account in respect of operating leases (2022: £38,530).

**20 Commitments**

*Capital commitments*

The Company had contractual commitments to purchase tangible fixed assets at the year-end of £76,302 (2022: £3,500).

**Notes (continued)**

**21 Related parties**

*Other related party transactions*

	Sales to		Administrative expenses incurred from	
	2023	2022	2023	2022
	£	£000	£	£000
Entities over which Company has control, joint control or significant influence (subject to wholly owned exemption)	169	59	6,774	4,604
Other group undertakings	229	227	1,028	377
	<u>398</u>	<u>286</u>	<u>7,802</u>	<u>4,981</u>

	Debtors outstanding		Creditors outstanding	
	2023	2022	2023	2022
	£000	£000	£000	£000
Entities over which Company has control, joint control or significant influence (subject to wholly owned exemption)	5,334	921	1,537	2,113
Other group undertakings	11,007	7,309	514	19
	<u>16,341</u>	<u>8,230</u>	<u>2,051</u>	<u>2,132</u>

**22 Ultimate parent company and parent company of larger group**

The Company is a subsidiary undertaking of Stewart Holdings Management Limited. The ultimate parent company and controlling party is ALS Limited.

The largest and smallest group in which the results of the Company are consolidated is that headed by ALS Limited, incorporated in Australia. Registered office is located at 32, Shand Street, Stafford QLD 4053. No other group financial statements include the results of the Company. The consolidated financial statements of ALS Limited are available to the public and can be accessed from the company's website at [www.alsglobal.com](http://www.alsglobal.com).

**23 Post balance sheet events**

A dividend of £1,961,900 was paid to Stewart Holdings Management Limited on 24<sup>th</sup> May 2023.

A dividend was received from ALS Environmental Limited of £2,570,440 on 28<sup>th</sup> July 2023 equal to the investment held in the company as at 31 March 2023. This investment was fully impaired at the time the distributable reserves were paid.

In August 2023, two dividends were declared by the joint venture of ALS Inspection China Limited for £648,924 and £499,241.