

**Resource and Environmental Consultants Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2018**

Registered number: 03133832

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# **Resource and Environmental Consultants Limited**

## **Contents**

	<b>Page</b>
Company information	3
Strategic report	4
Directors' report	6
Directors' responsibilities statement	7
Profit and loss account	8
Statement of changes in equity	9
Balance sheet	10
Notes to the financial statements	11

## **Resource and Environmental Consultants Limited**

### **Company information**

<b>The board of directors</b>	P McCluskey G Winder M Hanson M Carnegie-Brown
<b>Principal place of business</b>	Osprey House 217-227 Broadway Manchester M50 2UE
<b>Registered office</b>	One St Peter's Square Manchester M2 3DE
<b>Bankers</b>	Lloyds Bank plc 8 <sup>th</sup> Floor 40 Spring Gardens Manchester M2 1EN

# Resource and Environmental Consultants Limited

## Strategic report

The Directors, in preparing this strategic report, have complied with s414(c) of the Companies Act 2006.

### Principal activity

The principal activity of Resource and Environmental Consultants Limited (the “Company”) is the provision of environmental consulting services.

### Business environment

The Company services growing markets which are driven by population growth, economic growth and increasing legislation and regulations.

### Principal risks and uncertainties

Any business undertaking will involve some risk with many risk factors common to any business regardless of what sector it operates in. The Directors believe the following are the principal risks and uncertainties impacting the Company:

#### Legislative risk

The sectors the Company operates in are subject to a high level of regulatory change and requirements which need to be monitored to ensure services are fully compliant. This is mitigated by rigorous monitoring and compliance procedures.

#### Competitive risks

Many of the sectors are price sensitive and are extremely competitive which impacts on the ability to secure consultancy work. This risk is mitigated by providing a cost-effective problem solving solution to add value for customers and by providing a comprehensive range of services.

#### Financial instruments risk

The Company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The Company manages these risks by financing its operations through retained profits, supplemented by funding provided by its parent undertaking where needed.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, with the future cash flows expected to arise from the Company's trading activities.

The Company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the Company.

Credit risk is the risk that one party to a financial instrument will cause a financial loss to another party by failing to discharge an obligation. The Company assesses the risk of contracting with each customer and sets credit limits which are carefully monitored. If a significant risk is identified credit facilities are withdrawn and transactions are carried out on a cash basis. If a key customer was significantly affected by a difficult trading environment this would have a short term impact on the Company.

The Directors continue to endeavour to manage these risks and uncertainties to the extent possible within the business.

### Key performance indicators

Performance is monitored through the production of budgets, forecasts and monthly management information. The key performance indicators of the business are considered to be revenue and profit before taxation as disclosed in the profit and loss account.

# **Resource and Environmental Consultants Limited**

## **Strategic report (continued)**

### **Business performance**

Revenue in the current year is £8.1m which compares to a total revenue of £8.7m for the prior year. The loss for the year after tax is £0.2m which compares to a total loss after tax of £0.2m in the prior year.

### **Future developments**

*The Directors expect the general level of activity to continue to increase due to improved customer service.*

### **Approval**

Approved by the Board and signed on its behalf by:



M Hanson

Director

24 September 2019

# Resource and Environmental Consultants Limited

## Directors' report

The Directors present their report and the unaudited financial statements of the Company for the year ended 31 December 2018.

### Results and dividends

The results for the year ended 31 December 2018 and financial position of the Company are as shown in the profit and loss account and balance sheet. The Directors do not recommend the payment of a dividend (2017: £nil).

### Future developments

The Directors expect the general level of activity to increase.

### Change in ownership

On 25 January 2018, Spectris plc, a company listed on the London Stock Exchange, acquired 100% of the share capital of Concept Life Sciences (Holdings) Limited, the ultimate parent company of Resource and Environmental Consultants Limited. The Concept Group acquisition was made on a debt and cash-free basis and therefore the external borrowings which included the bank loan and loan notes were fully paid down.

### Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

### Directors

The Directors, who served throughout the year and thereafter, were as follows:

MJ Fort	(resigned 31 August 2018)
P McCluskey	
G Winder	
J Handley	(resigned 10 September 2019)
M Hanson	(appointed 5 August 2019)
M Carnegie-Brown	(appointed 5 August 2019)

### Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which remain in force at the date of this report.

Approved by the Board and signed on its behalf by:



M Hanson  
Director  
24 September 2019

## **Resource and Environmental Consultants Limited**

### **Directors' responsibilities statement**

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

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

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

## Resource and Environmental Consultants Limited

### Profit and Loss Account

For the year ended 31 December 2018

	Note	2018 £	2017 £
Revenue	2	8,118,545	8,711,971
Cost of sales		(5,928,860)	(6,007,114)
Gross profit		2,189,685	2,704,857
Administrative expenses		(2,484,074)	(2,853,769)
Administrative expenses excluding exceptional items		(2,484,074)	(2,687,910)
Exceptional items	3	-	(165,859)
Operating loss	5	(294,389)	(148,912)
Interest payable and similar charges	4	-	(99)
Loss on ordinary activities before taxation		(294,389)	(149,011)
Tax on loss on ordinary activities	7	52,380	(28,069)
Loss for the financial year		(242,009)	(177,080)

All amounts relate to continuing activities.

There were no items of other comprehensive income in either year other than the losses shown above. No separate statement of total comprehensive income has therefore been presented.



## **Resource and Environmental Consultants Limited**

### **Statement of Changes in Equity**

For the year ended 31 December 2018

	<b>Called-up share capital £</b>	<b>Share premium £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
As at 31 December 2016	4,546	79,914	113,123	197,583
Total comprehensive loss for the year	-	-	(177,080)	(177,080)
As at 31 December 2017	4,546	79,914	(63,957)	20,503
Total comprehensive loss for the year	-	-	(242,009)	(242,009)
As at 31 December 2018	4,546	79,914	(305,966)	(221,506)

## Resource and Environmental Consultants Limited

### Balance sheet

As at 31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	8	340,946	356,830
Investments in subsidiaries	9	221,607	221,607
		<u>562,553</u>	<u>578,437</u>
<b>Current assets</b>			
Debtors	10	3,868,574	3,014,971
Cash at bank and in hand		178,123	69,339
		<u>4,046,697</u>	<u>3,084,310</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(4,830,756)</u>	<u>(3,642,244)</u>
<b>Net current liabilities</b>		<u>(784,059)</u>	<u>(557,934)</u>
<b>Total assets less current liabilities</b>		<u>(221,506)</u>	<u>20,503</u>
<b>Net assets</b>		<u>(221,506)</u>	<u>20,503</u>
<b>Capital and reserves</b>			
Called-up share capital	14	4,546	4,546
Share premium account		79,914	79,914
Profit and loss account		<u>(305,966)</u>	<u>(63,957)</u>
<b>Shareholders' funds</b>		<u>(221,506)</u>	<u>20,503</u>

Registered number: 03133832

For the year ending 31 December 2018, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of Resource and Environmental Consultants Limited were approved by the Board of Directors and authorised for issue on 24 September 2019. They were signed on its behalf by:



M Hanson

Director

## Resource and Environmental Consultants Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2018

#### 1. Accounting policies

Resource and Environmental Consultants Limited (the “Company”) is a company incorporated and domiciled in the UK.

##### Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company’s ultimate parent undertaking, Spectris plc includes the Company in its consolidated financial statements. The consolidated financial statements of Spectris plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and are available to the public as set out in note 16.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes
- Disclosures in respect of transactions with wholly owned subsidiaries
- Disclosures in respect of the compensation of Key Management Personnel
- Disclosure in respect of capital management
- The effect of new but not yet effective IFRSs

As the consolidated financial statements of Spectris plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 share-based payments in respect of group settled share-based payments;
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments Disclosures.

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

The financial statements are prepared on the historical cost basis.

These financial statements are presented in pounds sterling.

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities that are not readily apparent from other sources. 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 and in any future periods affected.

The Company is exempt by virtue of s400 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.

The Company’s business activities, together with the factors likely to affect its future development, position and strategy, are set out in the Strategic Report on page 4.

## **Resource and Environmental Consultants Limited**

### **Notes to the financial statements (continued)**

For the year ended 31 December 2018

#### **1. Accounting policies (continued)**

##### **Going concern**

The Directors are required to satisfy themselves as to whether the financial statements of the Company should be prepared on the going concern basis. As part of the ongoing duties and activities of the Board there is continual assessment of the Company's financial and commercial performance. This review considers business risks and uncertainties that exist and takes account of how wider economic circumstances can impact these, including due consideration and assessment of potentially adverse and testing situations. The Board looks forward and appropriate forecasts of financial performance and assessments of future business opportunities and challenges are regularly made. Following this review the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

##### **Revenue**

Revenue is measured based on the fair value of the consideration specified in a contract with a customer and represents amounts receivable for services provided in the normal course of business, net of discounts and sales related taxes.

The Company recognises revenue when it transfers control of a service to a customer.

- If the transfer of control can be reliably measured by reference to completion of the specific performance obligation, the revenue associated with the component will be recognised. As a result, the revenue for all transactions which can be estimated on a reliable basis corresponds to the revenue agreed in the contract, adjusted by the stage of completion of the work performed.
- If the outcome of a transaction involving the rendering of services cannot be measured reliably, revenue will only be recognised to the extent of the incurred expenses as long as they are deemed to be recoverable.

Expected losses are recognised when it is probable that total contract costs will exceed total contract revenue. The expected loss is recognised as an expense immediately. A large proportion of consultancy work is completed within a few days and revenue is recognised on completion when the work is billed. For longer pieces of consultancy work, invoices are raised in stages as the work progresses which approximates to the stage of completion.

##### **Tangible fixed assets**

###### ***Owned assets***

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost represents purchase price together with any incidental costs of acquisition. Where parts of an item of tangible fixed assets have different useful economic lives, they are accounted for as separate items of tangible fixed assets.

## **Resource and Environmental Consultants Limited**

### **Notes to the financial statements (continued)**

For the year ended 31 December 2018

#### **1. Accounting policies (continued)**

##### ***Leased assets***

Assets funded through finance leases and similar hire purchase contracts are capitalised as fixed assets where the Company assumes substantially all of the risks and rewards of ownership. Upon initial recognition, the leased asset is measured at the lower of its fair value and the present value of the minimum lease payments. Future instalments under such leases, net of financing costs, are included within creditors.

Rental payments are apportioned between the finance element, which is included in finance costs, and the capital element which reduces the outstanding obligation for future instalments so as to give a constant charge on the outstanding obligation.

All other leases are accounted for as operating leases, and the rental costs are charged to the profit and loss account on a straight-line basis over the life of the lease.

##### ***Depreciation***

Depreciation is provided on all tangible fixed assets other than freehold land. Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant and machinery	- 25% reducing balance
Fixtures and fittings	- 10% to 25% reducing balance

##### **Investments in subsidiary undertakings**

Investments in subsidiary undertakings are stated at cost less provisions for impairment losses.

##### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax.

##### ***Current tax***

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

##### ***Deferred tax***

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences in respect of the initial recognition of assets and liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

##### **Pension costs**

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year. The assets of the scheme are held separately from those of the Company in an independently administered fund.

# **Resource and Environmental Consultants Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2018

### **1. Accounting policies (continued)**

#### **Foreign currencies**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

#### **Trade and other debtors**

Trade debtors are recognised at amortised cost less impairment losses. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade debtor is impaired. The movement in the provision is recognised in the profit and loss account.

#### **Trade and other creditors**

Trade and other creditors are non-interest-bearing and are stated at their cost.

#### **Interest payable and similar charges**

Interest payable and similar charges comprise interest payable on obligations under finance leases and other interest. Interest payable and similar charges are recognised in the profit and loss account on an effective interest method.

#### **Interest receivable and similar income**

Interest receivable and similar income comprise interest receivable on funds invested. Interest receivable is recognised in the profit and loss account on an effective interest method.

#### **Exceptional items**

Exceptional items are those items that are unusual because of their size, nature or incidence, or that the Directors consider should be disclosed separately to enable a full understanding of the Company's results. Exceptional items have been presented separately on the face of the profit and loss account. The Directors consider that this presentation gives a fairer presentation of the results of the Company.

#### **Business combinations and goodwill**

The Company accounts for business combinations using the acquisition method when control is transferred to the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect the returns through its power over the entity.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Goodwill is the difference between the fair value of the consideration paid including contingent consideration less the fair value of the entity's identifiable assets and liabilities.

## Resource and Environmental Consultants Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2018

#### 1. Accounting policies (continued)

Goodwill is allocated to cash generating units (CGUs) at the point of acquisition and is amortised on a straight line basis over the useful economic life which is deemed to be 10 years. The Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable. Goodwill is stated at cost less any accumulated impairment losses and amortisation charges. This treatment concords with The Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill is amortised.

##### Amortisation

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Goodwill                      10% straight line

##### Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

##### Impairment of investments

Investment carrying values are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of an asset or cash generating unit is not recoverable. Recoverable amount is the higher of fair value, as supported by management valuation, less costs to sell and value in use. 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 risks specific to the asset for which the estimates of future cash flows have not been adjusted.

#### 2. Revenue

The revenue is attributable to the one principal activity of the Company.

An analysis of revenue is given below:

	2018 £	2017 £
United Kingdom	8,077,508	8,610,176
Rest of the World	41,037	101,795
	<u>8,118,545</u>	<u>8,711,971</u>

## Resource and Environmental Consultants Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2018

#### 3. Exceptional items

	2018 £	2017 £
Restructuring costs	-	165,859
	-	165,859

Exceptional costs in the prior year relate to costs expended in the restructuring of the business.

#### 4. Interest payable and similar charges

	2018 £	2017 £
Finance leases and hire purchase contracts	-	99
	-	99

#### 5. Operating loss

Operating loss is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned	61,676	68,335
Operating lease rentals:		
- land and buildings	103,144	97,244
- other	80,320	217,419
Auditor's remuneration – audit services	-	11,500
Foreign exchange losses/(gains)	386	(148)



## **Resource and Environmental Consultants Limited**

### **Notes to the financial statements (continued)**

For the year ended 31 December 2018

#### **6. Staff costs**

The average monthly number of employees (including executive directors) was:

	<b>2018 Number</b>	<b>2017 Number</b>
Operational	120	112
Administration	9	9
	<u>129</u>	<u>121</u>

Their aggregate remuneration comprised:

	<b>£</b>	<b>£</b>
Wages and salaries	3,535,094	3,159,752
Social security costs	344,528	311,856
Pension costs	62,555	26,999
	<u>3,942,177</u>	<u>3,498,607</u>

The Directors received no remuneration for their services to the Company in the financial year (2017: £nil). All Directors' remuneration has been borne by another group company.

# Resource and Environmental Consultants Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2018

### 7. Tax on loss on ordinary activities

The tax (credit)/charge comprises:

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax	(64,314)	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	12,288	6,977
Effect of tax rate changes	-	390
Adjustments in respect of prior years	(354)	20,702
<b>Total deferred tax charge</b>	<u>11,934</u>	<u>28,069</u>
<b>Total tax (credit)/charge on loss on ordinary activities</b>	<u>(52,380)</u>	<u>28,069</u>

The differences between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2018 £	2017 £
Loss on ordinary activities before tax	<u>(294,389)</u>	<u>(149,011)</u>
Tax (credit) on loss on ordinary activities at standard UK corporation tax rate of 19% (2017: 19.25%)	(55,934)	(28,679)
Effects of:		
Expenses not deductible for tax purposes	5,354	35,656
Change in tax rates	-	390
Other current year items	(1,446)	-
Adjustments in respect of prior years	(354)	20,702
<b>Total tax (credit)/charge for year</b>	<u>(52,380)</u>	<u>28,069</u>

### Unrecognised tax losses

No provision has been made for deferred tax on carried forward trade losses of £13,258 (2017: £13,258) on the basis that there is insufficient evidence that suitable taxable profits will arise in the future against which the losses may be offset and the asset recovered.

### Change in corporation tax rate

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further reduction to 17% (effective from 1 April 2020) was substantively enacted on 15th September 2016. Deferred tax at 31 December 2018 has been calculated based on these rates.

## Resource and Environmental Consultants Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2018

#### 8. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>			
As at 1 January 2018	797,979	505,679	1,303,658
Additions	12,387	33,405	45,792
As at 31 December 2018	<u>810,366</u>	<u>539,084</u>	<u>1,349,450</u>
<b>Depreciation</b>			
As at 1 January 2018	659,012	287,816	946,828
Charge for the year	36,491	25,185	61,676
As at 31 December 2018	<u>695,503</u>	<u>313,001</u>	<u>1,008,504</u>
<b>Net book value</b>			
As at 31 December 2018	<u>114,863</u>	<u>226,083</u>	<u>340,946</u>
As at 31 December 2017	<u>138,967</u>	<u>217,863</u>	<u>356,830</u>

#### Hire purchase agreements

Included within the net book value is £nil (2017: £nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £nil (2017: £nil).

## Resource and Environmental Consultants Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2018

#### 9. Investments in subsidiaries

	£
<b>Cost</b>	
As at 1 January 2018	374,228
Additions	-
	<hr/>
As at 31 December 2018	<u>374,228</u>
<b>Impairment</b>	
As at 1 January 2018	152,621
Charge for the year	-
	<hr/>
As at 31 December 2018	<u>152,621</u>
<b>Net book value</b>	
As at 31 December 2018	<u>221,607</u>
As at 31 December 2017	<u>221,607</u>

The Company owns 100% of the issued share capital of the Companies listed below:

	<b>Country of incorporation</b>	<b>Principal activity</b>
REC Environmental Monitoring Limited	United Kingdom	Dormant
Resource & Environmental Consultants (Asbestos) Limited	United Kingdom	Dormant
REC Asbestos (South) Limited	United Kingdom	Dormant
Noble Health & Safety Training Limited	United Kingdom	Dormant
Noble Asbestos Consultancy Limited	United Kingdom	Dormant

All subsidiaries are registered in the United Kingdom with a registered office of One St Peter's Square, Manchester, M2 3DE.

## Resource and Environmental Consultants Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2018

#### 10. Debtors

	2017 £	2017 £
Trade debtors	1,733,253	2,118,574
Amounts owed by group undertakings	1,682,630	571,468
Other debtors and prepayments	385,975	310,624
Corporation tax	64,345	-
Deferred tax (note 12)	2,371	14,305
	<u>3,868,574</u>	<u>3,014,971</u>

Amounts owed by group undertakings are repayable upon demand. No interest is charged.

#### 11. Creditors – amounts falling due within one year

	2018 £	2017 £
Trade creditors	212,970	401,296
Amounts owed to group undertakings	4,179,245	2,767,004
Other taxation and social security	83,347	79,618
VAT payable	153,897	71,837
Other creditors and accruals	201,297	322,489
	<u>4,830,756</u>	<u>3,642,244</u>

Amounts owed to group undertakings are repayable upon demand. No interest is charged.

## Resource and Environmental Consultants Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2018

#### 12. Deferred taxation

The movement in the deferred taxation asset during the year was:

	2018 £	2017 £
As at 1 January 2018	(14,305)	(42,373)
Profit and loss account movement arising during the year	12,288	7,366
Adjustment in respect of prior years	(354)	20,702
As at 31 December 2018 (note 10)	<u>(2,371)</u>	<u>(14,305)</u>

Deferred tax asset consists of the tax effect of timing differences in respect of:

	2018 £	2017 £
Temporary differences relating to tangible assets	(1,168)	(11,203)
Temporary differences relating to other items	(1,203)	(1,538)
Temporary differences relating to trade losses	-	(1,564)
	<u>(2,371)</u>	<u>(14,305)</u>

#### 13. Commitments under operating leases

As at 31 December 2018 the total future minimum rentals payable under non-cancellable operating leases are as follows:

	Land and buildings 2018 £	Plant and machinery 2018 £	Land and buildings 2017 £	Plant and machinery 2017 £
Within one year	103,144	80,320	97,244	217,419
Between one and five years	136,056	86,040	182,834	212,133
	<u>239,200</u>	<u>166,360</u>	<u>280,078</u>	<u>429,552</u>

## Resource and Environmental Consultants Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2018

#### 14. Share capital

Allotted, called up and fully paid:

	2018 No.	2018 £	2017 No.	2017 £
A ordinary shares of £0.0002 each	12,786,826	2,558	12,786,826	2,558
B ordinary shares of £0.0002 each	5,516,825	1,103	5,516,825	1,103
C ordinary shares of £0.0002 each	4,426,825	885	4,426,825	885
	<u>22,730,476</u>	<u>4,546</u>	<u>22,730,476</u>	<u>4,546</u>

#### Rights of share

The A Ordinary shares, the B Ordinary shares and the C Ordinary shares rank pari passu with regard to dividends.

The A Ordinary shareholders shall be entitled to receive notice of, attend and vote at any general meeting of the Company.

The B Ordinary shareholders and the C Ordinary shareholders shall not be entitled to receive notice of, attend, nor vote at any general meeting.

In the event of an A Ordinary shareholder selling his shares either through retirement from the Company or upon death, then any shares not accepted by members shall be automatically converted to fully paid Preference shares at the rate of one Preference share for every A Ordinary share. The Preference shares shall rank pari passu with all other Preference shares in issue at that time.

In the event of the Company becoming listed, or in the event that an agreement is in place to sell the Company, then all Preference shares currently in issue shall be converted to A Ordinary shares that rank pari passu in all respects.

In any financial year that the Preference shares are in issue, the profits of the Company shall be applied in paying all shareholders a cash dividend equal to 50% of the net profit of the Company and its subsidiaries for the relevant financial year.

The Preference shareholders shall be entitled to receive notice of and attend any general meeting but cannot vote unless any dividend owed to the Preference shareholders is in arrears at the date of the meeting, or if the purpose of the meeting concerns winding up the Company, or altering the share capital to the extent that the Preference shareholders are affected. In such an event the Preference shareholders shall be allowed to vote on that matter only.

In the event of the C Ordinary shareholders selling their shares either through retirement from the Company or upon death being within four years of the date of issue of the C shares the sale price shall be equal to the nominal value of the shares so held.

## **Resource and Environmental Consultants Limited**

### **Notes to the financial statements (continued)**

**For the year ended 31 December 2018**

#### **15. Defined contribution pension scheme**

The Company operates a defined contribution scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £62,555 (2017: £26,999).

The amount owed to the schemes at the year-end was £21,506 (2017: £9,045).

#### **16. Ultimate parent company and controlling party**

At 31 December 2018, Spectris plc, a company listed on the London Stock Exchange was the ultimate controlling party by virtue of its 100% holding in the issued share capital of Concept Life Sciences (Holdings) Limited.

Spectris plc, is the largest and smallest group in which the results of the Company are consolidated. The consolidated accounts of this company may be obtained from Spectris plc, Heritage House, Church Road, Egham, Surrey TW20 9QD.