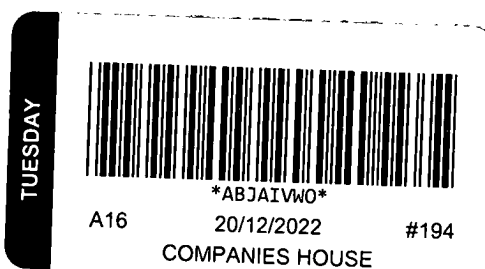


Registration number: 03163649

Binnies UK Limited

Annual Report and Financial Statements

for the Period from 1 April 2021 to 3 April 2022



Binnies UK Limited

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Binnies UK Limited

Company Information

Directors D S M Aitken
A S Draper
R A Joyce
I M Robinson
T J W Rowe
A A Ryder
G D Young

Company secretary S Evans

Registered office Spring Lodge
172 Chester Road
Helsby
Cheshire
WA6 0AR

Auditors UHY Ross Brooke
Chartered Accountants and Registered Auditors
Suite 1 Windrush Court
Abingdon Business Park
Abingdon
Oxfordshire
OX14 1SY

Binnies UK Limited

Strategic Report for the Period from 1 April 2021 to 3 April 2022

The directors present their strategic report for the period from 1 April 2021 to 3 April 2022.

Principal activity

The principal activity of the company is that of the design, manufacture, construction and installation of water production, filtration, effluent, sewage treatment plants, flooding and coastal erosion solutions, environmental enhancement and electricity generation plants for municipal and industrial applications in the United Kingdom and throughout the world.

Fair review of the business

The company continued to deliver projects, providing best in class solutions to our clients, across many sectors and geographies.

Results for the year

This Company had a longer accounting period in the prior year and therefore performance is not directly comparable. Turnover decreased to £126.3m (2021: £136.1m) however operational efficiencies helped drive a significant increase in operating profit to £4.0m (2021: £0.4m)). The Directors of the Company are confident that the Company will build on its successes and deliver growth in the current financial year, providing a valuable contribution to the RSK Group.

Future developments

The directors have exciting plans to grow the company and the RSK Group, to build the largest privately owned integrated Environmental, Engineering and Technical Services firm in Europe. The RSK Group aspire to build over a five year period, a business employing 10,000 people, delivering annual sales of £1 billion and EBITDA of £100 million, with the company as an integral part.

Key performance indicators

The directors monitor several Key Performance Indicators (KPIs), and debate the company performance relative to those KPI at board meetings and divisional meetings. Examples of KPIs monitored include:

- Net fee income;
- Accidents and Near Misses;
- Positive Interventions to improve safety performance;
- Customer Feedback - both praise and complaints;
- Staff Turnover
- Utilisation of Staff;
- Gender Pay Gap;
- Carbon Emissions;
- Cash at Bank; and
- Debtor and Creditor days.

The directors are pleased to report that performance of the company in respect to all KPIs monitored is satisfactory.

Binnies UK Limited

Strategic Report for the Period from 1 April 2021 to 3 April 2022

Corporate responsibility

RSK is a diverse group of environmental, engineering and technical services businesses, connected by a shared commitment to finding environmental and socially sustainable ways to fix challenging problems. In doing so, we have found commercial success while making a positive contribution to the world around us. The Company supports the wider group's ambitions through its service delivery to clients and corporate responsibility and sustainability activities.

Sustainability in all that we do

RSK has recognised and championed the importance of environmental and social impact since its inception over 30 years ago, with "promoting the concept of sustainability in all that we do" being one of the group's nine business principles.

As a fast-growing global business, RSK can play a part in tackling the environmental, economic, and social challenges faced around the world. Our work is aligned with the United Nations' 17 Sustainable Development Goals (SDGs), a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. It is not just about climate action, but it is also about providing affordable and clean energy, sustainable infrastructure, protecting life on land and below water, ending poverty and famine, and ensuring water supply and sanitation are available to all people.

Governments, businesses, organisations and individuals are embracing these goals, seeking the support from businesses, like those within RSK, to help them play their part. These fundamental drivers will have great impact on the RSK Group and the Company in the future, both on how we operate ourselves, but also how we support our clients.

Our holistic strategy

Our Sustainability Route Map integrates business and sustainability performance into a holistic strategy structured around five key pillars: safety, health and quality; our people and ethics; environment and communities; our clients and suppliers; financial and governance.

These five pillars provide the framework to align our business strategy to the SDGs and are key to our business's success. To measure our progress, the Route Map sets out clear milestones each year which keep us moving towards our overarching goals.

Key principles

The directors continue to run the business according to 9 key principles:

- Hiring, retaining and rewarding talented and dedicated people;
- Building enduring client relationships;
- Encouraging continuous improvement and innovation;
- Promoting a learning culture in a positive work environment;
- Making strategic investments for sustainable growth;
- Committing to strong, predictable financial performance;
- Maintaining unwavering commitment to health and safety;
- Promoting the concept of sustainability in all that we do; and
- Encouraging staff consultation and clear communication.

Binnies UK Limited

Strategic Report for the Period from 1 April 2021 to 3 April 2022

Employees

The directors recognise that our people are the key to our success as an organisation, and we strive to engage with all our employees, making sure everyone is involved in the development of our business and is proud to be part of it.

Equal opportunities

The Company is committed to equality, diversity and inclusion which is core to our company culture. This is integral to the success of our business and supports our corporate responsibility and sustainability efforts. To help the Company fully embrace equality, diversity and inclusion, The Company has pledged the following:

- Champion equality, diversity and inclusion from the top of the organisation.
- Acknowledge and tackle unconscious bias.
- Communicate and educate about the importance of equality, diversity and inclusion at all levels of our business, making this part of our everyday conversations.
- Empower our workforce through the introduction of employee networks.

We believe in equal opportunities for all employees and applicants and oppose all forms of unlawful or unfair discrimination in relation to a protected characteristic. All employees and applicants, whether part time, full time or temporary, will be treated fairly and with respect.

The Company is committed to ensuring that every employee has a working environment that promotes dignity and respect, and where individual differences and contributions of employees are recognised and valued.

As directors it is also important to us that we look after the wellbeing of our employees, so we subscribe to the group's wellbeing policy which is built on five interconnected wellbeing pillars: physical, mental, social, financial and environmental. This policy is delivered through a diverse calendar of activities aimed at engaging, educating and connecting employees.

Principal risks and uncertainties

The directors are required to identify risks that might adversely affect the Company's business in the medium and long-term. The directors have considered the risks to the business and means to manage those risks. The primary risks, and means of risk management, are:

- **Failure to maintain a sufficient employee resource at appropriate levels of seniority and experience.** The directors recognise that having a sufficient resource to undertake projects is critical to the continued success of the company. To that end, we are committed to all the components of Investors In People and seek to be an employer of choice. We aim to hire the most talented of people; we communicate widely and openly to create a sense of community across the group; we provide learning and development opportunities; and we strive to empower every employee to meet their full potential. In this way we plan to look after our clients' needs in an exemplary fashion. The directors monitor people metrics, including retention statistics to identify any trends or issues.

Binnies UK Limited

Strategic Report for the Period from 1 April 2021 to 3 April 2022

- **Termination of projects or failure to win work in our core markets.** We strive to delight our clients and keep abreast of their requirements and expectations through regular communication, project reviews, client satisfaction surveys and wider market assessments. We want to work to the highest technical and health and safety standards and to these ends, we operate in accordance with ISO 9001, ISO 14001 and ISO 45001 and, where applicable, comply with the various specific industry codes of practice and standards.

- **Financial risk management.** The company's operations expose it to a variety of financial risks and these risks need to be considered throughout the lifetime of a project. The directors operate an internal review process so that tenders are reviewed before submission to a client. Risk of late payment by clients and bad debts could result in the company having insufficient cash to pay suppliers in a timely fashion. The directors have considered this and have adequate working capital facilities, allowing for late payments by clients and pressure from creditors for more prompt settlement of accounts. A primary strategy employed by the directors to minimise financial risk is one of diversity of operations as set out above with a mix of services, clients, projects and geographical spread of operations.

- **Global economy.** Rising inflation and the risk of recession present risk to all businesses. To mitigate this risk, we remain as diverse as possible, strengthening our offer in sectors which we consider most resilient. The Company is also very nimble, able to make decisions very quickly and pivot to different market sectors when required. We closely manage costs to remain competitive in the marketplace.

Section 172(1) statement

The directors of the company must act in accordance with a set of general duties as detailed in section 172 of the UK Companies Act 2006. A director of a company must act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefits of its members, and in doing so have regard to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with supplies, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the RSK Group.

All directors are required to complete a directors' duty tracing module which provides them with an overview of the general duties and further support is provided by the RSK Group company secretary.

As a large organisation the directors fulfil their duties through a governance framework that delegates day to day responsibilities to its employees with appropriate review and assurance processes in place.

The directors have regard to the likely consequences of any decision in the long term in all aspects of the business. The "Principal Risks and Uncertainties" section of the company's Strategic Report sets out the company's approach to management of risks that might adversely affect the company's business in the medium and long term.

Binnies UK Limited

Strategic Report for the Period from 1 April 2021 to 3 April 2022

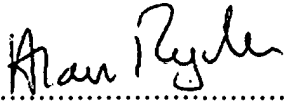
The company is committed to being a responsible employer, our directors recognising that our people are the key to success. We strive to engage with all our employees, making sure everyone is involved in the development of our business and feels pride in it. Please refer to "Our commitment to our people" section of the company's Strategic Report for more details.

The directors regularly review our business relationships, maintaining high levels of customer satisfaction and operating many long term partnership arrangements with key suppliers.

Our directors appreciate that the communities in which we operate are a key stakeholder and engagement with such communities is detailed in our Corporate Responsibility and Sustainability Route Map.

A reputation for high standards of business conduct is crucial to the business and its future success. This underpins everything we do and influences the decisions that the directors make.

Approved by the Board on15/12/2022..... and signed on its behalf by:

.....

A A Ryder
Director

Binnies UK Limited

Directors' Report for the Period from 1 April 2021 to 3 April 2022

The directors present their report and the financial statements for the period from 1 April 2021 to 3 April 2022.

The directors have included the following disclosures required by s416(4) in the Strategic Report in accordance with s414C(11): Principal risks and uncertainties, Future developments, Financial risk management objectives and policies, Events after the financial period and Employee matters.

Dividends

The total distribution of dividends for the period was £4,200,000 (2021: £10,670,436).

Events since the end of the period

Information relating to events since the end of the period is given in the notes to the financial statements.

Directors of the company

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

D S M Aitken

A S Draper

R A Joyce

I M Robinson

T J W Rowe

A A Ryder

G D Young

The directors holding office at 3 April 2022 did not hold any beneficial interest in the issued share capital of the company at 1 April 2021 (or date of appointment if later) or 3 April 2022.

Directors Indemnities

All directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of approval of this report.

Binnies UK Limited

Directors' Report for the Period from 1 April 2021 to 3 April 2022

Employees

As a rapidly growing business built by our employees, our ability to keep everyone in the group informed and engaged is very important. 'Encouraging staff consultation and clear communication' has been one of RSK's nine guiding principles since it was founded more than 30 years ago. Today, our employees remain at the heart of everything we do, and we are committed to open and clear communication at all levels.

We have several internal initiatives in place to engage our employees, share news and updates quickly and make it easier to collaborate and communicate across the group. Ranging from a weekly internal newsletter' comprehensive intranet system; monthly leadership reports from Executive Directors; and frequent group-wide email updates from Alan Ryder, RSK Chief Executive Officer. Employees are also encouraged to get involved in regular internal webinars, group-wide events and initiatives.

Our policies and procedures support our disabled colleagues. It is the policy of the Group that the recruitment, learning and development and promotion of disabled persons should, as far as possible, be identical to that of other employees. Should any employee of the Group become disabled during their time with us, we aim to retrain that employee and make reasonable adjustments to their working environment where possible, in order to keep the employee with the Group.

Business Relationships

Please refer to our Section 172 statement above.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on ...15/12/2022... and signed on its behalf by:



.....
A A Ryder
Director

Binnies UK Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Binnies UK Limited

Independent Auditor's Report to the Members of Binnies UK Limited

Opinion

We have audited the financial statements of Binnies UK Limited (the 'company') for the period from 1 April 2021 to 3 April 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, 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, including Financial Reporting Standard 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 state of the company's affairs as at 3 April 2022 and of its profit for the period 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Binnies UK Limited

Independent Auditor's Report to the Members of Binnies UK Limited

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial period 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 our 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 and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Binnies UK Limited

Independent Auditor's Report to the Members of Binnies UK Limited

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our cumulative audit and commercial knowledge and experience of the company and the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Taxation Legislation, General Data Protection Rules (GDPR), Anti-Bribery Act, Employment Law and Health & Safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and analysing legal costs to ascertain if there have been instances of non-compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Binnies UK Limited

Independent Auditor's Report to the Members of Binnies UK Limited

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.



.....
Caroline Webster FCA (Senior Statutory Auditor)
For and on behalf of UHY Ross Brooke, Statutory Auditor

Chartered Accountants and Registered Auditors
Suite 1 Windrush Court
Abingdon Business Park
Abingdon
Oxfordshire
OX14 1SY

Date:.....19/12/22.....

Binnies UK Limited

Profit and Loss Account for the Period from 1 April 2021 to 3 April 2022

		2022 £ 000	15 months to 31 March 2021 As restated £ 000
Turnover	3	126,279	136,163
Cost of sales		<u>(78,714)</u>	<u>(80,095)</u>
Gross profit		47,565	56,068
Administrative expenses		(44,013)	(57,434)
Other operating income	4	<u>427</u>	<u>1,800</u>
Operating profit	6	3,979	434
Other interest receivable and similar income	7	-	10
Interest payable and similar expenses	8	<u>(18)</u>	<u>(26)</u>
Profit before tax		3,961	418
Tax on profit	12	<u>363</u>	<u>1,065</u>
Profit for the financial period		<u><u>4,324</u></u>	<u><u>1,483</u></u>

The above results were derived from continuing operations.

In line with group reporting the prior period profit and loss account has been restated to show £48,141k of salaries as administrative expenses rather than cost of sales.

The company has no recognised gains or losses for the period other than the results above.

The notes on pages 18 to 33 form an integral part of these financial statements.

Binnies UK Limited

Statement of Comprehensive Income for the Period from 1 April 2021 to 3 April 2022

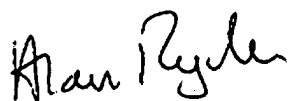
	2022 £ 000	15 months to 31 March 2021 £ 000
Profit for the period	<u>4,324</u>	<u>1,483</u>
Actuarial gains/(losses)	-	526
Income tax relating to other comprehensive income/(loss)	<u>-</u>	<u>(100)</u>
	-	426
Total comprehensive income for the period	<u><u>4,324</u></u>	<u><u>1,909</u></u>

Binnies UK Limited

(Registration number: 03163649)
Balance Sheet as at 3 April 2022

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Tangible assets	13	984	1,648
Investments	14	-	-
		<u>984</u>	<u>1,648</u>
Current assets			
Debtors	15	30,168	29,372
Cash at bank and in hand		<u>16,904</u>	<u>17,476</u>
		47,072	46,848
Creditors: Amounts falling due within one year	17	<u>(36,054)</u>	<u>(36,519)</u>
Net current assets		<u>11,018</u>	<u>10,329</u>
Total assets less current liabilities		12,002	11,977
Creditors: Amounts falling due after more than one year	17	<u>(21)</u>	<u>(120)</u>
Net assets		<u>11,981</u>	<u>11,857</u>
Capital and reserves			
Called up share capital		5,000	5,000
Profit and loss account		<u>6,981</u>	<u>6,857</u>
Shareholders' funds		<u>11,981</u>	<u>11,857</u>

Approved and authorised by the Board on ...15/12/2022... and signed on its behalf by:


.....

A A Ryder
Director

Binnies UK Limited

Statement of Changes in Equity for the Period from 1 April 2021 to 3 April 2022

	Share capital	Profit and loss account	Total
	£ 000	£ 000	£ 000
At 1 April 2021	5,000	6,857	11,857
Profit for the period	-	4,324	4,324
Dividends paid	-	(4,200)	(4,200)
At 3 April 2022	<u>5,000</u>	<u>6,981</u>	<u>11,981</u>

	Share capital	Profit and loss account	Total
	£ 000	£ 000	£ 000
At 1 January 2020	37,500	(16,882)	20,618
Profit for the period	-	1,483	1,483
Other comprehensive income	-	426	426
Total comprehensive income	-	1,909	1,909
Dividends paid	-	(10,670)	(10,670)
Transfers	(32,500)	32,500	-
At 31 March 2021	<u>5,000</u>	<u>6,857</u>	<u>11,857</u>

Binnies UK Limited

Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Spring Lodge
172 Chester Road
Helsby
Cheshire
WA6 0AR
England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in sterling, which is the functional currency of the company. The financial statements are presented in thousands of pound sterling (£'000).

Summary of disclosure exemptions

The company meets the definition of qualifying entity under FRS102 and has therefore taken advantage of the following disclosure exemptions available to it in respect of its separate financial statements:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d);
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Group accounts not prepared

The financial statements contain information about Binnies UK Limited as an individual company and do not contain consolidated financial information as the parent of the group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consideration in the consolidated financial statements of its parent, RSK Group Limited, a company registered in England and Wales.

Binnies UK Limited

Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

Disclosure of long or short period

These financial statements relate to a 12 month period. The previous period was extended to 15 months so that the year end was co-terminus with that of the rest of the group. Therefore the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

Going concern

The Directors have acknowledged the latest guidance on going concern from the Financial Reporting Council and considered various relevant matters noted here.

The company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its subsidiaries. The Group completed a refinancing with funds managed by Ares Management in July 2021 and at this time the funds comprised a £500m committed acquisition facility and a £500m incremental acquisition facility. An upsize was completed in March 2022 and as at 3rd April 2022, these funds comprise a £750m committed acquisition facility and a £250m incremental acquisition facility. £250m remains uncommitted. The Group has a £40,000,000 revolving credit facility with NatWest bank.

The facilities will finance growth, both organic and acquisitive and associated working capital requirements.

After a thorough review, and considering the impact of Covid-19, the Group's consolidated business plan, forecasts and projections show that it is expected to operate within its facilities.

The Group has established contracts and master service agreements with several customers across a wide range of sectors and markets and has a significant pipeline of committed work, tenders in progress and opportunities. The Directors believe that the Group will continue to manage its business risks successfully despite uncertain economic conditions in some business sectors and countries.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue to operate for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. Accordingly they have continued to adopt a going concern basis in the preparation of the annual report and financial statements.

Binnies UK Limited

Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

Judgements

The company has unrelieved tax losses of approximately £121m (2021: £125m) carried forward at 3 April 2022. These unrelieved tax losses are available for utilisation against future trading profits. Deferred tax asset of £4.2m (2021: £3.9m) has been recognised in respect of these losses and is disclosed within debtors (note 15).

No other significant judgements have had to be made by management in preparing these financial statements.

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have the greatest level of uncertainty are addressed below:

Revenue recognition and amounts recoverable on contracts: £11.8m

The company's revenue policies (set out in revenue recognition policy below) are fundamental to how the Group values the work it has carried out in each reporting period. Contracts are assessed on a contract by contract basis, and estimations are made regarding amounts not invoiced based on the stage of completion of the service.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

In respect of long-term contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Long-term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover represents the value of work done in the year, including estimates of amounts not invoiced, and is recognised by reference to the stage of completion. Operating profit includes attributable profit on long-term completed contracts and amounts recoverable on uncompleted contracts, the latter being included within debtors due within one year.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

Binnies UK Limited

Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generate income.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax balances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the difference between the fair value of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Binnies UK Limited

Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	10% straight line
Computer and data processing equipment	3 to 5 years

Jointly controlled operation

The company is a party to various jointly controlled operations involving the joint control and ownership of assets contributed to, or acquired for the purpose of, the joint venture and dedicated to the purposes of the joint venture. A joint venture is a contractual arrangement whereby the company and other parties undertake an economic activity that is subject to joint control. Joint control exists when the strategic financial and operating decisions relating to the activities require the unanimous consent of the parties sharing control.

The company's share of the assets, liabilities, income and expenses of jointly controlled assets are combined with the equivalent items in the results of the company on a line-by-line basis (classifying according to the nature).

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Short-term debtors are measured at transaction price, less any impairment.

Creditors

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Binnies UK Limited

Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, loans receivable from other group companies, investments in subsidiary companies and cash and cash equivalents, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at the market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, hire purchase contracts and loans payable to other group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at the market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest method.

Pensions

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expenses when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Binnies UK Limited

Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

3 Revenue

The analysis of the company's revenue for the period from continuing operations is as follows:

	2022 £ 000	2021 £ 000
Provision of goods and services	<u>126,279</u>	<u>136,163</u>

The analysis of the company's turnover for the period by class of business is as follows:

	2022 £ 000	2021 £ 000
Water sector	126,279	129,865
Energy sector	<u>-</u>	<u>6,298</u>
	<u>126,279</u>	<u>136,163</u>

The analysis of the company's turnover for the period by market is as follows:

	2022 £ 000	2021 £ 000
UK	121,763	135,198
Rest of world	<u>4,516</u>	<u>965</u>
	<u>126,279</u>	<u>136,163</u>

4 Other operating income

The analysis of the company's other operating income for the period is as follows:

	2022 £ 000	2021 £ 000
Sundry receipts	-	195
Exchange gains	1	376
Government grants	-	864
R&D Tax Credits	<u>426</u>	<u>365</u>
	<u>427</u>	<u>1,800</u>

5 Other gains and losses

The analysis of the company's other gains and losses for the period is as follows:

	2022 £ 000	2021 £ 000
Gain (loss) on disposal of property, plant and equipment	<u>(258)</u>	<u>-</u>

Binnies UK Limited

Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

6 Operating profit

Arrived at after charging/(crediting)

	2022 £ 000	2021 £ 000
Depreciation expense	581	764
Amortisation expense	-	360
Foreign exchange gains	(1)	(376)
Operating lease expense - plant and machinery	52	87
Operating lease expense - other	882	1,091
Loss on disposal of property, plant and equipment	<u>258</u>	<u>-</u>

7 Other interest receivable and similar income

	2022 £ 000	2021 £ 000
Interest income on bank deposits	<u>-</u>	<u>10</u>

8 Interest payable and similar expenses

	2022 £ 000	2021 £ 000
Interest on obligations under finance leases and hire purchase contracts	<u>18</u>	<u>26</u>

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £ 000	2021 £ 000
Wages and salaries	30,295	37,665
Social security costs	3,163	4,392
Other short-term employee benefits	685	809
Defined contribution pension costs	<u>2,101</u>	<u>5,275</u>
	<u>36,244</u>	<u>48,141</u>

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

	2022 No.	2021 No.
Administration and support	25	56
Professional staff	<u>521</u>	<u>484</u>
	<u>546</u>	<u>540</u>

Binnies UK Limited

Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

10 Directors' remuneration

The directors' remuneration for the period was as follows:

	2022	2021
	£ 000	£ 000
Remuneration	484	1,301
Defined contribution pension contributions	<u>43</u>	<u>117</u>
	<u>527</u>	<u>1,418</u>

The remuneration in the table above relates to 3 directors who are remunerated by the company. The other directors' remuneration is borne by the company's ultimate parent, RSK Group Limited. No direct recharge is made to the company for services provided, but an estimate of the cost of these directors' time is incorporated into the management charge charged to the company from RSK Group Limited.

During the year retirement benefits were accruing to 3 directors (2021: 3) in respect of defined contribution pension schemes.

The highest paid director was paid emoluments of £226,771 (2021: £528,738) in the year.

Binnies UK Limited

Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

11 Auditors' remuneration

	2022 £ 000	2021 £ 000
Audit of the financial statements	<u>105</u>	<u>90</u>
Other fees to auditors		
Taxation compliance services	<u>5</u>	<u>-</u>

12 Taxation

Tax charged/(credited) in the income statement

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax	(107)	-
Foreign tax adjustment to prior periods	<u>32</u>	<u>35</u>
Total current income tax	<u>(75)</u>	<u>35</u>
Deferred taxation		
Arising from origination and reversal of timing differences	717	-
Arising from changes in tax rates and laws	<u>(1,005)</u>	<u>(1,100)</u>
Total deferred taxation	<u>(288)</u>	<u>(1,100)</u>
Tax receipt in the income statement	<u>(363)</u>	<u>(1,065)</u>

The standard rate of UK corporation tax is 19% and this took effect from 1 April 2017.

On 3 March 2021, the UK Government announced an increase to the UK's main corporation tax rate from 19% to 25%. These changes have been substantively enacted and will come into effect from 1 April 2023.

As Binnies UK has recognised deferred tax in relation to accelerated capital allowances and losses in the period, the remeasurement from 19% to 25% equates to an adjustment of £1,004,864 which can be seen above.

Brought forward losses have been utilised in the period resulting in a movement in the recognised deferred tax asset. The deferred tax movement in relation to the utilisation of losses is £860,615 in the period. The remaining £142,685 relates to movements in accelerated capital allowances.

The differences are reconciled below:

Binnies UK Limited

Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

	2022 £ 000	2021 £ 000
Profit before tax	<u>3,961</u>	<u>418</u>
Corporation tax at standard rate	753	79
Effect of revenues exempt from taxation	(35)	-
Effect of expense not deductible in determining taxable profit (tax loss)	1	-
Effect of tax losses	-	(79)
Effect of foreign tax rates	32	35
UK deferred tax credit relating to changes in tax rates or laws	(1,005)	(1,100)
Decrease in UK and foreign current tax from adjustment for prior periods	<u>(109)</u>	<u>-</u>
Total tax credit	<u>(363)</u>	<u>(1,065)</u>

Tax effects relating to effects of other comprehensive income

The company had gross actuarial gains of £nil (2021: £526,000) with offsetting tax thereon of £nil (2021: (£100,000)).

The company has unrelieved tax losses of approximately £121m (2021: £125m) carried forward at 3 April 2022. These unrelieved tax losses are available for utilisation against future trading profits. Deferred tax asset of £4.2m (2021: £3.9m) has been recognised in respect of these losses and is disclosed within debtors (note 15).

Binnies UK Limited

Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

13 Tangible assets

	Fixtures and fittings £ 000	Office equipment £ 000	Total £ 000
Cost or valuation			
At 1 April 2021	2,052	1,185	3,237
Additions	6	169	175
Disposals	<u>(614)</u>	<u>(1)</u>	<u>(615)</u>
At 3 April 2022	<u>1,444</u>	<u>1,353</u>	<u>2,797</u>
Depreciation			
At 1 April 2021	923	666	1,589
Charge for the period	208	374	582
Eliminated on disposal	<u>(357)</u>	<u>(1)</u>	<u>(358)</u>
At 3 April 2022	<u>774</u>	<u>1,039</u>	<u>1,813</u>
Carrying amount			
At 3 April 2022	<u>670</u>	<u>314</u>	<u>984</u>
At 31 March 2021	<u>1,129</u>	<u>519</u>	<u>1,648</u>

Tangible fixed assets includes assets held on finance leases with a net book value of £120,457 (2021: £329,503). The depreciation charge for the year on these assets was £222,315 (2021: £333,313).

Binnies UK Limited

Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

14 Investments

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Joint ventures				
GBV JV Limited	Blake House 3 Frayswater Place Cowley Uxbridge Middlesex UB8 2AD United Kingdom		50%	50%

Joint ventures

GBV JV Limited

The principal activity of GBV JV Limited is engineering.

The carrying amount of the company's investments in joint ventures at the year end was £1 (2021 - £1).

15 Debtors

	Note	2022 £ 000	2021 £ 000
Trade debtors		10,845	14,966
Amounts owed by related parties	24	1,890	-
Other debtors		251	600
Prepayments		1,055	-
Gross amount due from customers for contract work		11,833	9,906
Due after more than one year: Deferred tax asset	12	4,187	3,900
Corporation tax receivable	12	107	-
		<u>30,168</u>	<u>29,372</u>
Due after more than one year: Deferred tax asset		<u>(4,187)</u>	<u>(3,900)</u>
		<u>25,981</u>	<u>25,472</u>

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Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

16 Cash and cash equivalents

	2022	2021
	£ 000	£ 000
Cash at bank	<u>16,904</u>	<u>17,476</u>

17 Creditors

	Note	2022	2021
		£ 000	£ 000
Due within one year			
Hire purchase contracts		99	229
Trade creditors		17,287	18,816
Amounts due to related parties	24	3,424	1,200
Social security and other taxes		1,266	3,400
Other payables		397	-
Accruals		11,434	5,126
Payments on account		<u>2,147</u>	<u>7,748</u>
		<u>36,054</u>	<u>36,519</u>
Due after one year			
Hire purchase contracts		<u>21</u>	<u>120</u>

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £2,100,763 (2021 - £5,275,000).

Defined benefit pension scheme

In the previous financial year, the company operated a defined benefit contribution scheme. During the period funding deficit contributions payable by the company to the scheme amounted to £nil (2021: £nil). Prepaid contributions at the end of the financial year amounted to £nil (2021: £nil). The scheme obligations and assets were transferred to Black & Veatch (U.K.) Limited on 31 December 2020.

Other comprehensive income relating to actuarial gains on defined benefit pensions schemes in the year amounted to £nil (2021: £426,000).

Binnies UK Limited

Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

19 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

The company has one class of ordinary shares which carries no right to fixed income.

20 Operating leases

Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£ 000	£ 000
Not later than one year	481	756
Later than one year and not later than five years	1,425	2,611
Later than five years	<u>-</u>	<u>268</u>
	<u>1,906</u>	<u>3,635</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £934,124 (2021 - £1,178,026).

21 Dividends

Final dividends paid

	2022	2021
	£ 000	£ 000
Final dividend of 84p (2021: 213.4p) per Ordinary share	<u>4,200</u>	<u>10,670</u>

22 Commitments

There were no capital commitments contracted but not provided for in the financial statements during the year (2021: £nil).

Binnies UK Limited

Notes to the Financial Statements for the Period from 1 April 2021 to 3 April 2022

23 Contingent liabilities

The company is party to cross guarantee arrangements relating to a borrowing facility provided by Ares Management to RSK Group Limited. The amount borrowed under this agreement at 3 April 2022 is £467,799,000 (2021: £288,780,000).

The company is also a guarantor of any trading and other obligations of any RSK Group member that may be a Junior Creditor in the related Subordination Deed.

24 Related party transactions

The company is a wholly owned subsidiary member of its group and has therefore taken advantage of the provisions of Section 33.1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" not to disclose transactions with entities that are wholly owned member of the group.

There were no other related party transactions to disclose.

25 Parent and ultimate parent undertaking

The company's immediate parent is Binnies & Partners Limited, incorporated in England and Wales.

The ultimate parent is RSK Group Limited, incorporated in England and Wales.

These financial statements are available upon request from Companies House, Crown Way, Cardiff, CF14 3UZ.