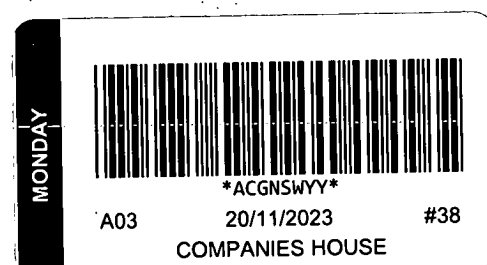


# **CSA Global (UK) Limited**

## **Annual Report and Financial Statements**

For the year ended 31 March 2023



Registered No: 06506117

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## Corporate information

### Directors

Stuart Keeling

Catrina Louise Pearce

### Auditor

Deloitte LLP

2 New Street Square

London

EC4A 3BZ

### Banker

HSBC Bank UK

Suite 2, Springfield House

Springfield Road

Horsham, West Sussex

RH12 2RG

### Registered office

2nd Floor Exchequer Court

33 St Mary Axe

London

EC3A 8AA

## Strategic report

A strategic, financial and operational review for CSA Global (UK) Limited ("the Company") for the financial year 2023 ("FY23") from 1 April 2022 to 31 March 2023 is set out below.

### Principal activity and performance

The principal activities of the Company during the year were the provision of mining consulting services as part of the ERM Group (The ERM International Group Limited and its subsidiaries, "ERM").

The Company's key financial and other performance indicators during the year were as follows:

	Year ended 2023 £000	Year ended 2022 £000
Turnover	2,513	2,458
Project costs	(986)	(967)
<b>Net revenue</b>	<b>1,527</b>	<b>1,491</b>
Staff costs	(1,277)	(1,062)
Depreciation, amortisation and other operating charges	(583)	(358)
<b>Operating (loss)/profit</b>	<b>(333)</b>	<b>71</b>

Net revenue is the Directors' main measure of operating activity and increased by 5% year on year (2022: 4% increase year on year). Net revenue is turnover after deduction of external project costs, which are principally sub-contractor costs on projects. The increase in net revenue is attributable to an increase in project work compared to the previous year and in turn the hiring of new staff to generate turnover.

### Principal risks and financial risk management

The key risks to which the Company is exposed are reviewed regularly by senior management and the Board. The principal risks that the Company faces relate to:

#### Russia and Ukraine

The Company does not have any financial or operational exposure to Russia or Ukraine. We remain alert to the current macroeconomic and geopolitical uncertainty and continue to monitor the potential impact to our clients, as well as the broader markets. While the uncertainty remains elevated, we do not see an increased risk to our operations, strategy, or client demand as a result.

#### Interest rate risk

The Company borrows and/or lends in its base currency and pays and/or receives interest at the IBOR equivalent of the currency borrowed plus/minus a margin. Subsequent to year end the IBOR will be replaced with the SOFR. The current policy is not to hedge any of these transactions. We do not expect it will have a material impact on the financial statements of the Company in future periods.

#### Risks relating to the Company's financial position

The Company's credit risk is primarily attributed to its debtors and amounts recoverable on contracts. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### Risk's relating to the Company's personnel

The Company's operating result requires the Company to maintain a high degree of utilisation of its consultants. The Company's future success will depend on its ability to attract and retain key personnel.

The risks are managed by monitoring and maximising staff utilisation and by having remuneration policies which reward performance and promote continued employment with the Company.

## Strategic report

### **Risks relating to the Company's business performance and to political and regulatory factors**

The Company faces a competitive market with relatively low barriers to entry. The Company may be exposed to liabilities in connection with its business and its liability for potential claims which may exceed its insurance coverage, or no insurance coverage may exist for such claims. Further, the Company may fail to meet cost, schedule, or performance requirements under client contracts. Changes in laws, regulations and government policy may adversely affect the Company's business, as may foreign, political, or economic instability, due to the number of countries in which the Company operates.

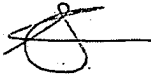
These risks are managed by anticipating consultancy trends and identifying new markets and sectors in which the Company might operate and ensuring that we continue to be well diversified across sectors, geography and services. The Group has processes to manage contractual conditions with appropriate insurance arrangements in place and to identify and manage contingent liabilities when they arise. The Directors believe that the Company has adequately provided for known liabilities and that it has adequate insurance to cover known potential legal claims. The Company maintains strong links between individual business units and has a strong regional management structure, which is responsible for managing and co-ordinating activities within each geographic region.

### **Future developments**

Due to internal group rationalization, the trade and trading asset of the Company has been sold to Environmental Resources Management Limited on 1 April 2023, therefore at the time of writing this report the Company have no active contracts and will be ceased trading. The Company is expected to be dissolved at some point in the future and as such, the Directors have prepared the financial statements on a basis other than going concern, as required by UK accounting standards.

No adjustments have been made as a result of preparing the accounts on a basis other than going concern.

On behalf of the Board



Stuart Keeling  
Director  
15 November 2023

## Directors' report

The Directors present their annual report and audited financial statements of CSA Global (UK) Limited, registered number 06506117 for the year ended 31 March 2023.

### Results and dividends

The loss for the financial year ended 31 March 2023 amounted to £334,091 (2022: profit of £77,450). The Directors do not recommend the payment of an ordinary dividend for the year (2022: £nil).

### Directors and their interests

The Directors who served the Company at any time during the financial period were as follows:

Catriona Louise Pearce  
Galen White (resigned on 18 July 2023)  
Stuart Keeling

None of the Directors had any interests in the shares of the Company during the year.

### Going concern

Due to internal group rationalization, the trade and trading assets of the Company have been sold to Environmental Resources Management Limited on 1 April 2023, therefore at the time of writing this report the Company has no active contracts and will be ceased trading. The Company is expected to be dissolved at some point in the future and as such, the Directors have prepared the financial statements on a basis other than going concern, as required by UK accounting standards.

No adjustments have been made as a result of preparing the accounts on a basis other than going concern.

### Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

### Events since the balance sheet date

Please refer to subsequent events in note 17.

### Employee involvement

All employees receive regular copies of the Company's email newsletter, which provides information about the activities of ERM companies worldwide. Regular team meetings are held at which performance and ideas are discussed, and these provide an effective channel for communication between staff and senior management. Many employees are shareholders in group companies, and all members of staff participate in the success of the business via the group bonus schemes, which are linked to financial performance.

### Ultimate parent undertaking

The ultimate parent company of the ERM Group of companies (the "ERM Group") and therefore of the Company is Nature Topco UK Limited.

## **Directors' report**

### **Directors' statement as to disclosure of information to auditor**

The Directors who held office at the date of approval of this Directors' report confirm that, as far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This statement is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

### **Directors' and officers' liability insurance**

The Company maintains liability insurance for the Directors and officers of the Company and of all its subsidiaries. In addition, the Directors of the Company are granted indemnities in respect of certain liabilities or loss that may arise out of or in connection with their duties to the Company, and in accordance with the Companies Act 2006 and the Articles of Association of the Company.

### **Directors' conflict of interest**

The Articles of Association of the Company contain provisions which are consistent with the Company's Code of Conduct and the Companies Act 2006 regarding actual or potential conflicts of interest involving Directors.

### **Future developments**

Refer to the strategic report on page 3.

On behalf of the Board.



Stuart Keeling  
Director  
15 November 2023

Registered No: 06506117

## **Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements**

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

Company law requires the Directors to prepare financial statements for each financial year. Under the 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 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 ensuring that the Company keeps or causes to be kept adequate accounting records that are sufficient to show and 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 the safeguarding of the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Independent auditor's report**

## **to the members of CSA Global (UK) Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of CSA Global (UK) Limited (the 'company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account and other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes, including the accounting policies, 1 to 17.

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).

#### **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 Financial Reporting Council's (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.

#### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

We draw attention to note 2.2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

#### **Other information**

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

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

We have nothing to report in this regard.

# **Independent auditor's report**

## **to the members of CSA Global (UK) Limited**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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

We considered the nature of the Company's industry and its control environment and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and in-house legal counsel about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included HMRC tax legislation and General Data Protection Regulations ("GDPR").

We discussed among the audit engagement team, including relevant internal specialists such as tax, valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas and our specific procedures performed to address this are described below:

- valuation of long outstanding work in progress ("WIP") on projects that significantly exceed regional average WIP days and the accuracy of the associated revenue. This is relevant as long outstanding WIP has a greater risk of not been billed (i.e., not recoverable), and as such shouldn't have been recognised in the first place as revenue. We have:
  - using data analytics, identified projects with WIP balances that significantly exceed regional averages and performed detailed testing procedures on a sample of projects to challenge the basis for the project completion and recoverability; and
  - performed additional inquiry with project managers or project partners took place to validate projects back to agreements and supporting documentation in order to challenge the valuation.

# **Independent auditor's report**

## **to the members of CSA Global (UK) Limited**

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of those charged with governance.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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


Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

#### **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.



Matthew Ward FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
15 November 2023

## Profit and loss account and other comprehensive income

For the year ended 31 March 2023

	Notes	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Turnover	4	2,512,920	2,457,960
Project costs		(986,209)	(966,952)
Staff costs	7	(1,277,293)	(1,061,699)
Depreciation		(14,457)	(8,839)
Amortisation of intangible assets		(1,280)	(1,705)
Other operating charges		(567,116)	(347,904)
<b>Operating (loss)/profit</b>	<b>5</b>	<b>(333,435)</b>	<b>70,861</b>
Interest receivable and similar income	8	214	573
<b>(Loss)/profit before taxation</b>		<b>(333,221)</b>	<b>71,434</b>
Tax (charge)/credit on (loss)/profit	9	(870)	6,016
<b>(Loss)/profit for the financial year</b>		<b>(334,091)</b>	<b>77,450</b>

The accompanying notes on pages 13 to 23 form part of these financial statements.

There is no other comprehensive income or losses other than as shown above.

**Balance sheet**

As at 31 March 2023

	Notes	As at 31 March 2023 £	As at 31 March 2022 £
<b>Fixed assets</b>			
Tangible assets	10	57,744	58,638
Intangible assets	11	3,839	5,119
<b>Total fixed assets</b>		<b>61,583</b>	<b>63,757</b>
<b>Current assets</b>			
Debtors	12	1,080,524	887,587
Cash at bank and in hand		650,752	688,633
<b>Total current assets</b>		<b>1,731,276</b>	<b>1,576,220</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	13	(1,253,545)	(766,572)
<b>Net assets</b>		<b>539,314</b>	<b>873,405</b>
<b>Capital and reserves</b>			
Called-up share capital	14	1	1
Profit and loss account		539,313	873,404
<b>Shareholders' funds</b>		<b>539,314</b>	<b>873,405</b>

The accompanying notes on pages 13 to 23 form part of these financial statements.

These financial statements were approved by the Board of Directors on 15 November 2023 and signed on their behalf by:



Stuart Keeling  
Director

Registered No: 06506117

## Statement of changes in equity

For the year ended 31 March 2022

	Called up share capital £	Profit and loss account £	Total £
<b>At 1 April 2021</b>	<b>1</b>	<b>795,954</b>	<b>795,955</b>
<i>Comprehensive income</i>			
Profit for the financial year	-	77,450	77,450
Total comprehensive income	-	77,450	77,450
<b>At 31 March 2022</b>	<b>1</b>	<b>873,404</b>	<b>873,405</b>
<i>Comprehensive loss</i>			
Loss for the financial year	-	(334,091)	(334,091)
Total comprehensive loss	-	(334,091)	(334,091)
<b>At 31 March 2023</b>	<b>1</b>	<b>539,313</b>	<b>539,314</b>

## Notes to the financial statements

### 1. General information

CSA Global UK, Limited (the "Company") is private company limited by shares, incorporated in the United Kingdom and is registered in England and Wales. The address of the Company's registered office is Level 2, Exchequer Court, 33 St Mary Axe, London EC3A8AA.

The principal activities of the Company during the year were the provision of mining consulting services.

### 2. Significant accounting policies

#### 2.1 Statement of compliance

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The Company has applied the amendments to FRS 102 issued by the FRC in December 2017 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2019.

The Group parent undertaking, The ERM International Group Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of The ERM International Group Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from its registered office: 2nd Floor, Exchequer Court, 33 St Mary Axe, London, EC3A 8AA.

The functional currency of Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions in relation to financial instruments, presentation of a cash flow statement, transactions with wholly owned subsidiaries and remuneration of key management personnel.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

#### 2.2 Basis of accounting

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.

Due to internal group rationalization, the trade and trading assets of the Company have been sold to Environmental Resources Management Limited on 1 April 2023, therefore at the time of writing this report the Company have no active contracts and will be ceased trading. The Company is expected to be dissolved at some point in the future and as such, the Directors have prepared the financial statements on a basis other than going concern, as required by UK accounting standards.

No adjustments have been made as a result of preparing the accounts on a basis other than going concern.

#### 2.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction.

The presentational currency is the same as the functional currency.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign exchange differences arising on translation are recognised in the profit and loss account.

## Notes to the financial statements

### 2. Significant accounting policies (continued)

#### 2.4 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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

##### **Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks, and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled, or expires.

##### **Write-off and impairment of assets policy**

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in profit or loss.

The Company recognises an impairment gain or loss in profit or loss for financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

#### 2.5 Interest receivable

Interest receivable and similar income includes interest receivable on amounts due from group undertakings and bank interests.

Interest receivable is recognised in profit or loss as it accrues, using the effective interest method.

## Notes to the financial statements

### 2. Significant accounting policies (continued)

#### 2.6 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

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 balance sheet date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

#### 2.7 Employee benefits

##### **Defined contribution plans**

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

##### **Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## Notes to the financial statements

### 2. Significant accounting policies (continued)

#### 2.8 Revenue recognition

The Company follows the principles of IFRS 15 in determining appropriate revenue recognition policies. Revenue represents amounts chargeable for services provided to third parties in the ordinary course of business.

Revenue from services is recognised following the principles outlined in IFRS 15's five step model as detailed below:

- Identifying the contract. Upon acceptance of a proposal, a contract is entered into, which includes details of the scope of work and each party's rights and obligations regarding transfer of the service;
- Identifying the performance obligations in the contract. In assessing performance obligations, consideration is given to whether each identified key deliverable is a separate performance obligation, or a series of services that are substantially the same, have the same pattern of transfer to the customer and form one overall performance obligation;
- Determining the transaction price. The transaction price is developed during the proposal process by establishing the scope of work and the staffing levels required. Upon acceptance, the total fee value is stated in the contract together with an invoicing schedule;
- Allocating the transaction price to separate performance obligations. Contracts typically include only one performance obligation, so no allocation is required. Where more than one performance obligation exists, the contracts include separately agreed fees for each performance obligation;
- Recognising revenue as performance obligations are satisfied. Where only one performance obligation exists, revenue is recognised over time as the work is performed. Where there is more than one performance obligation, revenue is recognised as each performance obligation is met.

#### **Gross revenue**

Gross revenue represents amounts recoverable from clients in respect of the Company's continuing activities. Gross revenue includes costs incurred on behalf of clients and excludes sales taxes.

The Company enters into 'time and expense' and 'fixed fee' contracts. For time and expense contracts, gross revenue and profit recognised is based on hours and expenses incurred to date. For fixed fee contracts where the outcome can be reasonably foreseen, gross revenue and profit is recognised on a percentage completion basis by comparing costs incurred to date to the total costs to completion. Contract expenses include direct staff costs, sub-contractor costs and disbursements. The Directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

Attributable profit is recognised for that part of the work performed on each contract at the accounting date when the outcome can be assessed with reasonable certainty.

Digital subscriptions revenue is recognised evenly over the time period for which the subscription services are provided as the customer simultaneously receives and consumes the economic benefit of the service being provided.

#### **Net revenue**

Net revenue is gross revenue after deduction of external project costs, which are made up principally of sub-contractors' fees.

#### **Contract losses**

Contracts are reviewed regularly and full provision is made for any anticipated total loss on contracts in the period in which they are first identified.

#### **Amounts recoverable on contracts and bills in advance**

The amount by which revenue exceeds invoiced amounts is disclosed as 'amounts recoverable on contracts' within debtors on the statement of financial position. Advance payments are included as 'bills in advance' within creditors to the extent that they exceed the related work done.

#### **Claims recognition**

Due to the nature of the Group's operations, the Group is periodically exposed to contingent liabilities arising from its contracting arrangements or actual or potential disputes, claims or litigation. The Group has processes to identify contingent liabilities when they arise and where possible to quantify the potential exposure. When it is judged probable that a liability will arise and that liability can be estimated, a charge is made for the cost of settlement and included in accruals.

## Notes to the financial statements

### 2. Significant accounting policies (continued)

#### 2.9 Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

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

- Computer equipment and other equipment – 33% per annum
- Furniture fittings – 25% per annum
- Office refurbishment – 25% per annum

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### 2.10 Intangible assets

##### **Other intangible assets**

The cost of securing contractual customer relationships and customer order book and other intangible assets, including software asset cost, is capitalised at purchase price and amortised by equal annual instalments over the period in which their respective benefits are expected to accrue. The useful economic life of these assets is determined on a case-by-case basis, in accordance with the terms of the underlying agreement and the nature of the asset.

##### **Amortisation**

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible fixed assets unless such lives are indefinite. Intangible fixed assets with an indefinite useful life such as goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Software assets – 3 to 5 years

### 3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses and the accompanying disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. No key sources of estimation uncertainty that may cause material adjustment to the carrying amount of assets and liabilities within the next financial year have been identified.

No critical accounting judgements have been made within these financial statements.

## Notes to the financial statements

### 4. Turnover

Turnover, which is stated net of value added tax, mainly represents amounts invoiced to third parties. Turnover is attributable to the one principal continuing activity of the Company.

An analysis of turnover by geographical market is given below:

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
United Kingdom	312,998	63,935
Continental Europe	1,345,279	1,321,710
Asia	65,662	51,632
Africa	619,021	860,679
South America	29,467	6,494
United States of America	52,278	20,797
Rest of the World	88,215	132,713
	<b>2,512,920</b>	<b>2,457,960</b>

### 5. Operating (loss)/profit

This is stated after charging/(crediting):

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Depreciation of tangible assets (note 10)	14,457	8,839
Amortisation of intangible assets (note 11)	1,280	1,705
Audit of these financial statements	78,607	33,029
Foreign exchange loss	1,683	(253)

### 6. Directors' remuneration

In both the current and prior years the Directors were remunerated for services to the Group as a whole and the cost borne by another group company.

### 7. Staff costs

Staff costs for the year ended 31 March 2023 were as follows:

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Wages and salaries	1,022,885	890,937
Social security costs	140,253	98,967
Contributions to defined contribution plans and other staff costs	114,155	71,795
	<b>1,277,293</b>	<b>1,061,699</b>

## Notes to the financial statements

### 7. Staff costs (continued)

The average number of full-time employees (including executive Directors) during the year was made up as follows:

	Year ended 31 March 2023 No.	Year ended 31 March 2022 No.
Partners	2	2
Consultants	11	7
Administration	1	1
	<b>14</b>	<b>10</b>

### 8. Interest receivable and similar income

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Bank interest	66	-
Interest on amounts due from group undertakings	148	573
	<b>214</b>	<b>573</b>

### 9. Tax charge/(credit) on (loss)/profit

#### (a) Analysis of tax charge/(credit):

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
<b>Current tax:</b>		
In respect of current year	(60,423)	15,252
In respect of prior year	51,497	(12,390)
<b>Total current tax charge</b>	<b>(8,926)</b>	<b>2,862</b>
<b>Deferred tax:</b>		
In respect of current year	(3,615)	(5,941)
In respect of prior year	13,411	(2,937)
<b>Total deferred tax charge/(credit)</b>	<b>9,796</b>	<b>(8,878)</b>
<b>Total tax charge/(credit) for the year (note 9(b))</b>	<b>870</b>	<b>(6,016)</b>

## Notes to the financial statements

### 9. Tax charge/(credit) on (loss)/profit (continued)

#### (b) Reconciliation of current tax charge/(credit):

The tax charge/(credit) is reconciled to the (loss)/profit in the profit and loss account and other comprehensive income as follows:

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
(Loss)/profit before tax	(333,221)	71,434
(Loss)/profit at UK statutory rate of 19% (2022: 19%)	(63,312)	13,572
Effects of:		
Non-deductible expenses	141	-
Short term timing differences	(867)	(4,262)
Prior year items	64,908	(15,326)
<b>Total tax charge/(credit) for the year (note 9(a))</b>	<b>870</b>	<b>(6,016)</b>

#### (c) Deferred tax:

The movement in deferred tax recognised at 25% (2022: 25%) is as follows:

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Asset at the beginning of the year	17,758	8,879
Credit in the profit and loss account (note 9(a))	(9,796)	8,879
<b>Asset at the end of the year</b>	<b>7,962</b>	<b>17,758</b>

The deferred tax recognised is comprised of the following:

Tangible assets	(117)	5,372
Provisions	8,079	12,386
<b>At end of the year (note 9(a))</b>	<b>7,962</b>	<b>17,758</b>

#### (d) Factors that may affect future tax charges:

The standard rate of corporation tax in the UK was 19% in the year ended 31 March 2023. The rate will be increased to 25% with effect from 1 April 2023.

## Notes to the financial statements

### 10. Tangible assets

	Computer equipment £	Other equipment £	Office refurbishm ent £	Furniture fittings £	Total £
<b>Cost:</b>					
At 1 April 2021	38,534	4,152	42,414	14,749	99,849
Additions	34,508	-	-	-	34,508
<b>At 31 March 2022</b>	<b>73,042</b>	<b>4,152</b>	<b>42,414</b>	<b>14,749</b>	<b>134,357</b>
Additions	13,563	-	-	-	13,563
<b>At 31 March 2023</b>	<b>86,605</b>	<b>4,152</b>	<b>42,414</b>	<b>14,749</b>	<b>147,920</b>
<b>Depreciation:</b>					
At 1 April 2021	25,063	4,152	24,597	13,068	66,880
Charge for the period	4,940	-	3,563	336	8,839
<b>At 31 March 2022</b>	<b>30,003</b>	<b>4,152</b>	<b>28,160</b>	<b>13,404</b>	<b>75,719</b>
Charge for the year	11,337	-	2,851	269	14,457
<b>At 31 March 2023</b>	<b>41,340</b>	<b>4,152</b>	<b>31,011</b>	<b>13,673</b>	<b>90,176</b>
<b>Carrying amounts:</b>					
<b>Net book value 31 March 2022</b>	<b>43,039</b>	<b>-</b>	<b>14,254</b>	<b>1,345</b>	<b>58,638</b>
<b>Net book value 31 March 2023</b>	<b>45,265</b>	<b>-</b>	<b>11,403</b>	<b>1,076</b>	<b>57,744</b>

### 11. Intangible assets

	Software £
<b>Cost:</b>	
At 1 April 2021	79,554
<b>At 31 March 2022</b>	<b>79,554</b>
<b>At 31 March 2023</b>	<b>79,554</b>
<b>Accumulated amortisation:</b>	
At 31 March 2021	72,730
Charge for the period	1,705
<b>At 31 March 2022</b>	<b>74,435</b>
Charge for the year	1,280
<b>At 31 March 2023</b>	<b>75,715</b>
<b>Carrying values:</b>	
<b>Net book value at 31 March 2022</b>	<b>5,119</b>
<b>Net book value at 31 March 2023</b>	<b>3,839</b>

## Notes to the financial statements

### 12. Debtors

	As at 31 March 2023 £	As at 31 March 2022 £
Trade debtors	600,604	317,612
Amounts recoverable on contracts	241,079	379,315
Amounts owed by group undertakings	-	81,190
Other debtors	162,317	3,749
Prepayments and accrued income	2,686	22,276
Corporation tax debtor	65,876	65,687
Deferred tax asset (note 9c)	7,962	17,758
	<b>1,080,524</b>	<b>887,587</b>

The Company receives payments from customers based on a billing schedule, as established in the contract. Trade receivables and amounts recoverable on contracts are recognised when the right to consideration becomes unconditional.

Amounts owed by group undertakings carry interest rates of local currency IBOR + 0% applicable to all operational deposits.

### 13. Creditors: amounts falling due within one year

	As at 31 March 2023 £	As at 31 March 2022 £
Trade creditors	18,790	371
Accruals	72,359	174,300
Deferred income	502,732	526,264
Amounts owed to group undertakings	521,235	-
Legal provision	135,475	-
Other creditors	2,954	65,637
	<b>1,253,545</b>	<b>766,572</b>

In this analysis, "group undertakings" refers to members of The ERM International Group Limited group of companies, of which this Company forms a part.

Amounts owed to group undertakings carry interest rates of either local currency IBOR + 5.31% applicable to all structural loans or local currency IBOR + 3.35% applicable to all operational loans.

Amounts owed to group undertakings are repayable on demand and directors believe the debtors values above reflect their fair value.

### 14. Called-up share capital

	Allotted, called-up and fully paid		Allotted, called-up And fully paid	
	2023 No.	2023 £	2022 No.	2022 £
<b>Equity Interests:</b>				
Ordinary shares of £1 each	1	1	1	1

The Company has one class of ordinary shares which carry no right to fixed income.

Ordinary shares carry full voting rights.

## Notes to the financial statements

### 15. Related party disclosures

The Company is a member of The ERM International Group Limited group of companies. In accordance with the exemption conferred by FRS 102, the Company has not disclosed transactions with other 100% owned group undertakings.

### 16. Immediate and ultimate parent company

The Company's immediate parent company is Environmental Resources Management Limited.

The ultimate parent company is Nature Topco UK Limited, a limited company registered in England and Wales. The smallest group within which the result of the Company are consolidated is Emerald 2 Limited, and the largest group with which the results of the Company are consolidated is Nature Topco UK Limited. The consolidated financial statements of Nature Topco UK Limited are available to the public and can be obtained from their registered address at 11th Floor 200 Aldersgate Street, London, England, EC1A 4HD.

The parent company of the ERM group is The ERM International Group Limited. As at 31 March 2023, the shareholdings in The ERM International Group Limited are held 68.09% by Nature Topco UK Limited and 31.91% by ERM management (comprised of approximately 610 individual shareholders). The shareholdings of Nature Topco UK Limited are held 49.29% by KKR Patagonia Aggregator L.P., 40.56% by KKR Core Investor (L) SCSp (both of which are ultimately controlled by KKR & Co. Inc, a Delaware corporation publicly listed on the New York Stock Exchange) and 10.15% by Corporación Financiera Alba, S.A. (a Spanish corporation publicly listed on the Madrid Stock Exchange). There are no natural persons who hold, directly or indirectly, a 25% or more shareholding in the Company.

### 17. Events after the reporting period

Due to internal group rationalization, the trade and trading assets of the Company have been sold to Environmental Resources Management Limited on 1 April 2023, therefore at the time of writing this report the Company has no active contracts and will be ceased trading. The Company is expected to be dissolved at some point in the future and as such, the Directors have prepared the financial statements on a basis other than going concern, as required by UK accounting standards.

No adjustments have been made as a result of preparing the accounts on a basis other than going concern.