

RSK Group Limited

Company no. 03761340

Annual report and consolidated financial statements
for the period from 4 April 2022 to 2 April 2023

A global leader in the delivery of sustainable solutions



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Company information

Directors

S Bangels
N P Board
G Charnock
A S Draper
R D Edwards (resigned 31 March 2023)
C Knighton
M W Mason
S Mogford
A A Ryder
M A E Smyth
I H Strudwick
H L Thomas
G W Tuckwell
S Wray
G D Young
P J Witherington (appointed 31 March 2023)
I R Goodacre (appointed 10th August 2023)
D I Taylor (appointed 10th August 2023)

Company secretary

S Evans

Registered office

Spring Lodge
172 Chester Road
Helsby
Cheshire
WA6 0AR

Solicitors

Memery Crystal LLP
165 Fleet St
London
EC4A 2DY

Bankers

National Westminster Bank Plc
Liverpool City Office
2-8 Church Street
Liverpool
L1 3BG

Auditors

UHY Ross Brooke
Suite 1 Windrush Court
Abingdon Business Park
Oxfordshire
OX14 1SY

Strategic report

Chief executive review

Alan Ryder

On behalf of the directors, I am pleased to present our strategic report for the period from 4 April 2022 to 2 April 2023.

As we reflect on the reporting period, I am immensely proud of all that we have achieved. RSK has become a global leader in the delivery of sustainable solutions and as we continue to grow, we will further strengthen this position – working with our clients to tackle some of the most pressing global issues. The Group is now comprised of over 200 business units, delivering a huge range of environmental, engineering and sustainability services to over 8,000 clients around the world. While our service offering is very diverse, the Group shares a commitment to delivering a more sustainable future by tackling key global issues such as:

- Addressing the current and future impacts of climate change.
- Supporting the global energy transition as we move to clean energy
- Ensuring clean water and sanitation for all
- Sustainable food production to feed rapidly growing populations.
- Urbanisation and the need to build sustainable cities.
- Significant demand for new and upgraded infrastructure

Underpinning all these key issues is a need to protect life on land and below water. The world has woken up to the realities of climate change, biodiversity loss and social inequality and these topics now sit front and centre in every sector of the economy. As governments and businesses across all sectors invest heavily in achieving a more sustainable future, the opportunities for RSK increase at pace. The challenge we face is responding to these priorities and delivering to the standard that our clients expect. We have demonstrated our ability to meet these challenges, not only in the reporting period but through our 34-year history, so I remain confident in our future position as we continue to focus on building a strong, diverse and sustainable business.

In light of the market opportunities surrounding us and the strong foundations we have put in place to support further business growth, the Board has developed a new 2030 Global Strategy and a refreshed long-term vision which will guide us forward.

“By doing the right thing and ensuring RSK is a business that people want to be part of, we believe we can become the world's largest and most trusted provider of sustainable solutions.”

As we look ahead to the next financial year and beyond, I am excited about all the opportunities we have in front of us. The next financial year will be another year of very significant growth as we use our committed funding package to invest in our existing business perimeter and acquire new businesses to further strengthen our offering and expand our geographic reach.

Business growth

While the Group, like other businesses, faced some economic uncertainty throughout the year, RSK continued to grow organically and through strategic acquisition, welcoming 2,747 new colleagues into the business. Our organic growth is supported by a number of factors including strong underlying market growth rates benefitting from environmental and sustainability tailwinds, the realisation of synergies and cross-selling between Group entities, access to larger opportunities due to the Group's collective offering and our ability to deliver exceptional services and innovative solutions to our clients.

During the reporting period the Group invested heavily in business support to build the foundations necessary to achieve its long-term ambition.

During the year, we completed 34 acquisitions (which included 69 registered legal entities) each one adding complementary services to our overall offering and improving our access to key sectors and geographies. Acquisitions are made only after thorough internal due diligence together with external financial and legal due diligence. All acquisitions are approved by the Directors. Our acquisition programme provides our existing businesses with opportunities for growth, and we will continue to drive organic growth by encouraging cross-selling and by building multidisciplinary teams to solve client problems. These teams draw upon resources found in various companies across the Group – and it is a real strength of the Group that we can harness a very wide range of services and technical skills. The breadth of services offered by the Group is unique and is at the heart of our strategic plan: our acquisitions are intended to add diversity to the Group, adding skills, customers and extending our geographic reach.

To support ongoing growth of the business, RSK continued to work with senior debt partner, Ares Management Limited. Full details of these financial facilities are available in the Notes to the Financial Statements, note 26: loans and borrowing.

A complete summary of acquisitions made throughout the year is available on page 54 while a snapshot of some of these businesses is included below.

Strategic report

Pensar

Pensar, an infrastructure solutions provider operating across Australia, brings experience in solving complex challenges relating to process water infrastructure, non-process water infrastructure, specialist infrastructure, infrastructure rehabilitation and electrical infrastructure.

Pensar is the largest acquisition outside the United Kingdom completed by the Group to date and the sixth business to join RSK Australia in 18 months.

MSS Group

UK-based facilities and environmental service provider employing 600 people. MSS Group operates in highly regulated and frequently hazardous environments and provides industrial and commercial cleaning, waste management, asbestos removal, water treatment, security services and more.

The addition of MSS Group enhanced RSK's existing asbestos offering while also providing entry into facilities services sector and improved capacity for compliance services in relation to water treatment.

Copper

Copper is a communications firm specialising in UK infrastructure projects. The business specialises in building understanding and acceptance of infrastructure with the public, stakeholders, the media, government and elected representatives, while helping organisations to protect and enhance their reputations.

Copper's infrastructure communications skills are an excellent addition to the Group, naturally complementing the engineering and environmental solutions provided.

Brown & May Marine

Brown & May Marine is a fisheries and marine environmental consultancy providing a range of services associated with fish ecology, commercial fisheries and other marine activities for numerous national and international offshore developments.

The marine sector is one of growing importance for the Group with the addition of Brown and May Marine acting as a springboard for several other businesses wanting to break into the sector.

WGM

WGM is an engineering solution provider with a team of over 300 professionals in mechanical, electrical, and civil engineering disciplines. Aligning these services with strategically located off-site manufacturing facilities, WGM can deliver turnkey solutions to its clients.

With strength in the water and energy sectors, WGM fits well alongside existing Group companies and will lead to numerous synergy and cross-selling opportunities.

Wyse Power

WysePower is the market leader in temporary site services, with more than 250 directly employed and qualified staff operating from eight regional UK offices. WyseBase, part of the WysePower Group, offers a carbon-neutral and cost-effective alternative to traditional concrete foundations for modular and building set-ups, as well as ground stabilisation and walkway solutions.

Temporary site services remain in high demand and expectations are that this will continue.

Richard Irvin FM

Richard Irvin FM is a technical facilities management and energy solutions company. The business maintains, repairs and improves more than 62,000 UK commercial and domestic properties with a full scope of services which include heating, ventilation, air conditioning, electrical, lighting, detection, renewable systems, fabric and specialist services, often delivered as complete facilities management packages.

Richard Irvin FM is strong strategic fit alongside the Group's existing portfolio of businesses servicing the property sector.

Sustainability

Since our inception in 1989, sustainability has been at the heart of how we do business, with 'promoting the concept of sustainability in all that we do' being one of our core guiding principles.

The past year has seen us witness a number of devastating extreme weather events – flooding in Pakistan, megadrought in the Horn of Africa and wildfires in Europe – that have been caused, at least in part, by the climate crisis. Such climate impacts are very much with us and as a result, the calls for urgent transformative action grow even louder.

In response to this we have recently launched a new sustainability strategy, *Second Nature* (published after the reporting period). We achieved great things under our first Sustainability Route Map, which was launched in FY19 to define our commitment to promoting ethics and sustainability in all that we do. However, as both the sustainability landscape and our business have evolved over recent years, we knew we needed to do more to play our part in tackling the 'triple emergency' of climate change, biodiversity loss and social inequality. *Second*

Strategic report

Nature reflects this raising of ambition, building on the success of our previous Sustainability Route Map to shape our sustainability journey to 2030.

As the impacts of climate change are becoming increasingly apparent, we are also pleased to include our first publicly reported assessment of the risks and opportunities that climate change presents to our business, in line with the Task Force on Climate-related Financial Disclosures (TCFD) in our FY23 sustainability report. At RSK, we see TCFD reporting as an opportunity to enhance the long-term resilience of our business to the growing impacts of climate change. As such we will continue to perform in-depth climate change risk and opportunity assessments for each of our core regions over the next five years to fully understand and take appropriate steps to minimise risks and maximise opportunities associated with climate change across regions and supply chains.

Thanks to the continued commitment of our employees and businesses, we were delighted to meet the sustainability KPIs outlined in our sustainability-linked finance deal with Ares Management for the second consecutive year. This has delivered considerable interest rate savings for FY23, 100% of which will be invested in global sustainability projects, predominantly via the RSK Foundation.

Safety, health and quality

Maintaining an unwavering commitment to health and safety is one of our nine guiding principles. We aim to be a leader in health and safety by ensuring our global operations are striving to achieve zero harm to people, our business systems, our facilities and the environment.

Our dedicated safety, health, environment and quality (SHEQ) team has an established safety, health, environment and quality management system (SHEQ-MS) and is committed to continuous improvement of the Group's SHEQ performance, which is reflected in a set of objectives and targets and associated management strategy, in line with ISO standards.

Our people

We recognise that equality, diversity and inclusion (EDI) are integral to the success of our business, and we seek to be an inclusive employer with a diverse workforce in which everyone is treated fairly and feels valued.

In FY23, we established a dedicated EDI team to drive the development and delivery of RSK's EDI strategy across all parts of the Group. The strategy is overseen by our passionate and knowledgeable EDI steering Group, which has board-level representation.

Going forward, the EDI team aims to work with key internal and external stakeholders to guarantee fully inclusive and accessible recruitment, to create and deliver industry-leading learning and development opportunities, to support the continued development and embedding of our EDI strategy with a tailored communications and global engagement plan, and to develop further employee networks, so our colleagues can thrive in an inclusive and diverse environment.

Our entire operation depends on the people who work for our businesses around the world, and taking care of their physical, mental, social and financial wellbeing remains our priority.

We already have a broad range of initiatives and events to support employee wellbeing, which are supported by our network of wellbeing champions and mental health first aiders across the Group. Some of our key initiatives include the Pedometer Challenge, the cycle to work scheme, pension advice, flexible working and menopause awareness training, along with a central online hub to access a range of wellbeing resources and external support services. Other highlights this year include training an additional 64 mental health first aiders across the Group and delivering menopause awareness training to senior leaders, highlighting how the menopause affects employees and how to support them in the working environment.

Financial review

The combination of organic growth in several business units, the full year effect of acquisitions completed in the previous period and the continuation of our acquisition programme has resulted in turnover exceeding £1 billion for the first time in the Group's history, increasing 53.3% from the previous year (2023: £1,220 million, 2022: £796 million). Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and before exceptional, non-recurring costs have increased to £83.4 million (2022: £59.4 million). The exceptional non-recurring costs were £12.6 million in the period (2022: £7.4 million). The table below shows the growth in the Group over the last five years.

Cash generated from operations increased to £75.4 million (107% of EBITDA) which compares to £31.9 million (61% of EBITDA) in the previous reporting period.

Given the number of acquisitions completed during the reporting period, these results do not tell the full story of the shape of the Group today. To that end, proforma figures for the Group at the end of the financial year show a Group of companies delivering annual turnover of £1,433.0 million (2022: £939.6 million) and adjusted

Strategic report

EBITDA (as defined in our finance facilities) of £116.4 million (2022: £75.4 million).

The directors consider that these results display the exceptional strength of our Group and the resilience of our business strategy.

regularly review the market sectors in which we operate and are satisfied that we are aligned to those sectors least likely to be impacted by global economic downturn.

£ million	£ million	£ million	£ million	£ million
1,220.0	796.0	350.5	274.8	208.6
(517.9)	(314.7)	(137.5)	(102.5)	(75.1)
702.1	481.3	213.0	172.3	133.5
(531.4)	(346.2)	(159.2)	(128.9)	(88.1)
(103.0)	(90.7)	(30.7)	(29.8)	(25.3)
15.7	15.0	17.7	12.9	0.0
83.4	59.4	40.8	26.5	20.1

*Operating expenses excluding amortisation, depreciation and non-recurring costs

RSK is proud to be a global, employee-owned business. We have made a conscious decision to grow the Group investing in the business to capitalise on the market opportunities. We have chosen to finance this growth through debt (borrowing funds) as this ensures our employees retain control of the business. Having taken the decision to fund our growth with debt, the key metrics for success as measured by our board of directors are the covenants agreed with our lenders.

The primary covenant with our lenders, requires our directors to maintain leverage (the relationship between EBITDA and debt) at an acceptable level and with satisfactory headroom from the point at which our covenant would have an impact. Leverage at the end of the reporting period was 6.49x, which the directors are satisfied with as it leaves the business with a good level of headroom against our covenants.

The global economy and impact of rising interest rates

Interest rates have increased during the reporting period and, as a debt-backed business, this has a direct impact on RSK. The board of directors keeps our facilities under review and monitors interest rates very closely. We have carried out sensitivity analysis and modelled a variety of scenarios based on current and future projected interest rates. Under all scenarios, we remain comfortably within our covenants.

While there has been some degree of uncertainty in the global economy, we believe RSK is well placed to weather the impact of any recessions through the diversity of our service lines and the countries in which we operate. We

The future

As described in the "Chief Executive Review", the Board has developed a new 2030 Global Strategy and a refreshed long-term vision for the Group. Details of the 2030 Global Strategy can be found on www.rskGroup.com.

The 2030 Global Strategy sets out our ambition for the medium term and, while the financial metrics we strive towards are far more ambitious (over £5 billion revenue by 2030), the fundamental drivers and levers described in the strategy are very similar to those which we have focused on for the past several years.

We will continue to grow the Group through bolt-on acquisitions and investment into our existing businesses, realising synergies and creating value within our portfolio of businesses. We aim to become the world's largest and most trusted provider of sustainable solutions and recognise that to achieve this we need to continue to do the right thing and ensure RSK is a business that people want to be part of.

We believe diversity in our business offering gives us greatest resilience to external market forces. Finally, we will continue to carry out research and development to ensure we deliver innovative solutions in response to the challenges faced by our clients and wider society.

We have become a global leader in our field and have the acquisition and banking facilities provided by Ares and NatWest Bank to support further growth and diversification in FY24. The board has also begun the process of identifying the best financial structure to support the delivery of our strategy to 2030.

Strategic report

Developments occurring post-reporting period

RSK continues to deliver its growth strategy and has, so far, completed 25 acquisitions in FY24. These businesses, covering a wide range of technical specialisms, are in line with our 2030 Global Strategy. Details can be found in note 32. Non-adjusting events after the financial period within the Notes to the Financial Statements.

To support our long-term ambitions, the Company has appointed BDO LLP as lead auditor to the Group from FY24 onwards.

Two additional directors were appointed to the Board on 10th August 2023: I R Goodacre and D I Taylor.

Key performance indicators

The directors monitor several key performance indicators (KPIs) and debate the company performance relative to those KPIs at board meetings and divisional meetings. Examples of KPIs that are 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
- greenhouse gas emissions
- cash at bank
- debtor and creditor days

The directors are pleased to report that performance of the company in respect of all KPIs monitored is satisfactory. Staff turnover increased from the previous year (2023 16% 2022 15%) but this was expected given market conditions and remains consistent with the UK average.

Risk and uncertainty

RSK operates a risk management process that is integrated within normal management and governance procedures. The directors have identified risks that might adversely affect the Group'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 identified, and means of mitigation, are

People

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 our continued success. To that end, the directors 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, share our vision and principles, we train our people and empower them. In this way, we plan to look after our clients' needs in an exemplary fashion. The directors monitor people metrics, including retention statistic, to identify any trends or issues.

Clients and projects

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.

Further, the Group has deliberately chosen to be diverse – in terms of service offering, market sectors and geography – to mitigate the risks associated with a slowdown in any single market.

Global economy

Rising inflation, interest rates and the risk of recession in many of the countries we operate in presents risk to all businesses, including those across the Group. To mitigate this risk, we remain as diverse as possible, strengthening our offer in sectors that we consider the most resilient such as renewable energy and sustainable infrastructure. The Group is also nimble, able to make decisions very quickly and pivot to different market sectors when required. We closely manage costs and are focused on cash management to ensure we remain competitive in the marketplace.

The impact of rising interest rates is monitored very closely, with projected future increases analysed in our financial models. Under all scenarios, we remain comfortably within our covenants.

Financial risk management

RSK's operations expose it to a variety of financial risks. Financial risks need to be considered throughout the lifetime of a project. The directors operate an internal review committee so that tenders are reviewed before

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submission to a client to assess and manage commercial and financial risks associated with projects. Risk of late payment by clients, as well as bad debts, could result in the Group having insufficient cash to pay suppliers in a timely fashion. The directors have considered this, and have adequate working capital facilities in place, which mitigates risks associated with late payments by clients and pressure from creditors for more prompt settlement of accounts. Internal Group hedging against movement in exchange rates is used wherever possible and appropriate contracts for additional cover are taken out if required. 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. High inflation in operating and projects costs is a risk to the business, the risk is managed through the contract and pricing mechanisms in place.

Climate change

We have publicly reported the risks and opportunities that climate change presents to our business, in line with the Task Force on Climate-related Financial Disclosures (TCFD) in our FY23 sustainability report. For the assessment of this reporting period, we completed an in-depth review of the UK, as the majority of our revenue and EBITDA at the time of assessment originated from this location.

While climate events may pose some risk to our business and supply chains, given the nature of our business, we believe on balance this will be outweighed by the opportunities presented through increased demand for our services as our clients assess the likely impact of climate change and then implement works to adapt to flood risk, sea level rise and more extreme weather events. As such we are confident that our strategy is robust and allows us to be both resilient to potential risks while also in a position to respond dynamically to the significant opportunities of the low carbon economy transition.

Over the next five years, we will perform an in-depth climate change risk and opportunity assessment for each of our core regions, with Europe and South East Asia being completed in FY24. The continuation of these assessments recognises that TCFD was designed to be an iterative process, recalibrated and expanded upon annually, and will ensure we understand and take appropriate steps to minimise risks and maximise opportunities associated with climate change across regions and supply chains to build a thriving and resilient business.

Our full TCFD report can be found in the annex of our FY23 sustainability report

Data protection and technology

A cyber-attack has the potential to bring down internal or external systems, disrupting client services or leading to the loss of data, which could subsequently bring litigation, fines and reputational damage. To mitigate these risks, RSK applies policies and practices based on recognised international standards. We also have an established internal IT security team and are utilising cloud-based systems that offer the highest standard of data protection and recovery available.

Political instability

RSK is active in areas of the Middle East and Africa where there is often political unrest and the potential for violence. If the security situation deteriorates in those areas in which we work, it might become necessary for RSK to withdraw from affected regions on a temporary or permanent basis and thus reduce work levels.

Section 172 statement

The directors have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefits of its members. The following narrative sets out how the directors have fulfilled these duties in accordance with Section 172 of the UK Companies Act 2006.

As directors of a large organisation, the RSK directors fulfil their duties through a governance framework that delegates day-to-day responsibilities to an extended executive leadership team and employees, with appropriate review and assurance processes in place.

The likely consequences of any decision in the long term

RSK is delivering a long-term strategy to be a highly diverse Group of companies that provide an end-to-end service offering to a high number of clients, across many sectors and geographies. This strategy is built upon a wider societal purpose to support our clients as nations strive to deliver the Sustainable Development Goals described by the United Nations. This strategy focuses on long-term business resilience rather than short-term gains.

The directors are well informed on the views of stakeholders and use this information when making decisions. Developments are shared regularly with key stakeholder Groups.

In the financial year, the Board reviewed the existing 2025 Strategy and, as the targets had already been met, determined that a refreshed strategy was required. The Board, in consultation with the wider senior leadership team, developed the 2030 Global Strategy setting out more

Strategic report

ambitious targets for the future. In developing the 2030 Global Strategy, the Board considered the long-term interests of all RSK stakeholders and, in particular, those of the shareholders, employees and funders. Beyond financial metrics, the 2030 Global Strategy also outlines the positive impact the business intends to deliver to employees, stakeholders, the environment and the communities in which we operate.

To support continued growth, in line with our business plan, RSK agreed a £250 million upsize of our debt facility with Ares in May 2023. The Directors also began the process of appointing a new auditor to support the Group from FY24, a decision which we believe important to our longer-term plans.

The interests of the Group's employees

The Group is committed to being a responsible employer and our directors recognise that our people are the key to success. We engage our employees in several ways (further information on specific developments is available in the "Our people" section of the Strategic Report), making sure everyone is involved in the development of our business and feels proud to be part of it.

We know that creating a diverse and inclusive workplace is essential to our long-term success and have taken steps to further embed this in our company culture. We also recognise the importance of being a compassionate employer and supporting the wellbeing of our employees.

To help our businesses attract and appoint talent, the Group has invested heavily in recruitment. This includes appointing an in-house recruitment team, utilising software to manage applicants more effectively, refreshing reward and benefit packages and making better use of online job boards.

To support professional development of our people, the Group utilises an online learning platform to give employees and managers access to a wide range of technical and non-technical training courses. This virtual learning is further supported by classroom training and options for company-funded professional qualifications.

A series of actions were taken by the directors during this reporting period to support the workforce. This included additional investment in a centralised graduate development programme, early careers team, EDI team and wellbeing team, launch of a leadership development programme and delivering a number of wellbeing and EDI events for our employees covering topics such as men's health week, mental health awareness, menopause awareness and unconscious bias training.

The need to foster the Group's business relationships with suppliers, customers and others

A key component of RSK's strategy is continually broadening our client base and building our service offering directly around their evolving requirements. We regularly review the business relationships we hold across the Group and measure customer satisfaction through routine performance monitoring feedback and quarterly questionnaires.

We have driven significant organic growth through the cross-selling of services and encourage collaboration and open communication across the Group to maintain this growth.

The directors remain actively involved in relationship management of suppliers and customers, attending meetings with key clients and suppliers to provide updates on RSK Group activities. This gives directors first-hand insight into the needs of our client base.

During the reporting period, the Board approved further the investment in a centralised business development and sales function. The purpose of this team is to manage client relationships at a Group level, seeking opportunities which bring our various business units together for the benefit of our clients. On request of our UK water clients, the Group hosted a series of 'speed-dating' events where a client organisation had the opportunity to network with multiple RSK business units.

The impact of the Group's operations on the community and the environment

Sustainability sits at the heart of our business model and informs all that we do.

As the previous strategy did, the 2030 Global Strategy outlines the importance of the United Nations' Sustainable Development Goals as a key driver for our business. RSK endeavours to support clients around the world on issues such as carbon reduction, adapting to a changing climate, the need to feed, house, transport and educate ever-growing populations, the transition to clean energy, providing clean water and sanitation for all and protecting and enhancing the environment. Our business growth, through acquisition and the creation of new business lines is directly influenced by the SDGs.

We are committed to supporting the communities in which we operate and initiatives and charities that align with our values. In using local suppliers and offering internships and employment within the communities we serve, we bring positive impact. Sponsorship, fundraising and employee volunteering are often targeted to the local communities near our projects and offices. We contribute to the

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protection or enhancement of local ecosystems, provide services to vulnerable Groups, promote science, technology, engineering and maths (STEM) learning and education and help improve economic and social wellbeing in our communities.

At the end of the previous financial year the Board welcomed a Chief Sustainability Officer and Chief Scientist to drive our sustainability agenda at Board-level. Within the reporting period our sustainability team has helped our businesses meet the previously agreed sustainability targets. The Chief Sustainability Officer, in consultation with internal and external stakeholders has led the development of a new Sustainability Strategy, Second Nature, which was formally launched after the reporting period.

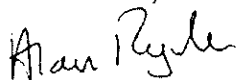
Further sustainability initiatives delivered during the period are described in the 'Sustainability' section of the Strategic Report and the FY23 Sustainability Report (available at www.rskGroup.com) and include investment in electric vehicles, renewable energy at many premises, the installation of electric charge points at offices and development of a social value calculator.

As part of our funding agreement with Ares, we receive an interest rate savings for achieving our ESG KPIs and have committed to reinvest 100% of this savings into sustainability projects and initiatives, creating further positive impact in communities and for the environment. The Board was pleased to meet all agreed KPIs set out in the Ares facility agreement, receiving an interest savings, as per our agreement. This savings is now being deployed in support of environmental and social value projects around the world through the RSK Foundation, which has been established during the financial year.

The desirability of the Group maintaining a reputation for high standards of business conduct

A reputation for high standards of business conduct is crucial to the business and its future success and this underpins everything we do and influences the decisions that the directors make. Our Ethics Code, updated this year, provides the framework to which every individual at RSK must follow so that everything we do is in line with our values, is legally compliant and is of the highest ethical standard.

Approved by the Board on 16th February 2024 and signed on its behalf by



A A Ryder
Director

Directors' report

The directors present their report, together with the audited financial statements of the Group for the period from 4 April 2022 to 2 April 2023.

Directors of the company

The directors who held office during the period were as follows

S Bangels
N P Board
G Charnock
A S Draper
R D Edwards (resigned 31 March 2023)
C Knighton
M W Mason
S Mogford
A A Ryder
M A E Smyth
I H Strudwick
H L Thomas
G W Tuckwell
S Wray
G D Young
P J Witherington (appointed 31 March 2023)
I R Goodacre (Appointed 10th August 2023)
D I Taylor (Appointed 10th August 2023)

Each of the directors is an employee of the Group and receives remuneration accordingly. No remuneration is paid to any director for their services as a director

Directors' Indemnity

The Company is party to a Group-wide directors' and officers' liability insurance which provides cover to all the current Directors. There are no qualifying indemnity provisions (as defined in the Companies Act 2006) that benefit the Directors of the Company.

Principal activity

RSK Group Limited is a holding company, but through subsidiary companies is engaged in the environmental, sustainability and engineering fields. "RSK" refers to RSK Group Limited and all its subsidiaries. RSK is focused on providing services to public and private sector clients that assist them in meeting the United Nations' Sustainable Development Goals. This includes research, consultancy and technical services in sectors ranging from water, food and drink and infrastructure to urban development, mining

and waste. RSK is a global leader in the delivery of sustainable solutions.

Financial results and dividends

The financial results for the year are shown in the consolidated profit and loss account on page 18. In the financial year dividends of £1.8 million were paid (2022, £1.8 million). This included an interim dividend and final dividend of £1 per share.

Business relationships

Please refer to our Section 172 statement above.

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 and a comprehensive intranet system to 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 to keep the employee with the Group.

Energy and greenhouse gas emission reporting

We report our scope 1 and 2 carbon emissions and our scope 3 emissions associated with business travel according to the Greenhouse Gas (GHG) Protocol and as

Directors’ report

we are a UK headquartered business, the UK Department for Environment, Food and Rural Affairs (Defra) environmental reporting guidelines. We are in the process of collating more accurate raw data for additional scope 3 categories, including purchased goods and services and staff commuting, which will be included in our FY24 report.

Acquisitions completed in the second half of each financial year are not included in that year's carbon footprint and their turnover is deducted from the total turnover figure used to calculate our carbon intensity. These acquisitions are then added to our footprint the following year. Every year, our carbon footprint is independently audited and verified by RSM.

We are committed to decarbonising our business in line with the Paris Agreement's 1.5°C scenario and have

submitted our proposed emission reduction targets to the Science Based Targets initiative (SBTi). We intend to reduce our Scope 1 emissions by 50% by FY30 against a FY20 baseline and increase our use of renewable energy to 100% by 2030 (from 57% in FY20). As part of our SBTi commitment, we also intend to engage our supply chain in reducing emissions, at least 70% to have set their own science-based targets by 2028

Additional data is voluntary disclosed in table 1.

In accordance with Streamlined Energy and Carbon Reporting (SECR), the Group is required to report UK energy use and associated carbon emissions. These data are shown in table 2.

Table1: Global energy use and associated carbon emissions

138,297	71,043
119.2	91
24,274	11,280
1,403	809
8,146	6,029
33,823	18,118
29	23

Table 2: UK energy use and associated carbon emissions

108,999	57,834
118.5	91
18,699	10,342
766	401
6,840	5,031
26,305	15,774
29	25

Directors' report

Actions taken to reduce emissions and improve energy performance

While we await verification of our SBTi targets, we are continuing with our programme of decarbonisation and will be developing a net zero transition plan to set a clear pathway to achieve our Paris-aligned emission reductions and build long-term business resilience. Some of our existing carbon reduction measures include

- encouraging employees to use the hierarchy of travel to minimise business travel emissions
- installing electric vehicle charge points at our offices
- installing smart meters across our UK offices, to better understand and reduce our energy use
- sourcing electricity through a green tariff. Currently over 50% of our Group's electricity is provided through a green tariff
- increasing the number of electric vehicles (EV) in our fleet and where possible using EV hire cars
- using hydrotreated vegetable oil (HVO) as an alternative fuel in plant
- offering flexible homeworking options to staff whenever their role allows it.

Approved by the Board on 16th February 2024 and signed on its behalf by



A A Ryder

Director

Corporate governance

The Company is limited by shares. Its governing documents are its articles of association together with a shareholders' agreement.

The Company has an audit committee with terms of reference agreed by the directors. The audit committee reports to the directors and meets with the Company's auditors several times each year as part of its work.

To review the internal controls of Group entities the Group has established an internal audit function that reports to the audit committee and the directors on a regular basis throughout the year.

The Group's modern slavery statement is available at www.rskGroup.com.

Disclosure of information to the auditors

Each director has taken the steps that they ought to have taken as a director 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 they know of no relevant information and of which the auditors are unaware

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.

Independent Auditor's Report

to the Members of RSK Group Limited

Opinion

We have audited the financial statements of RSK Group Limited (the 'parent company') and its subsidiaries (the 'Group') for the period from 4 April 2022 to 2 April 2023, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows 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 Group's and the parent company's affairs as at 2 April 2023 and of the Group's loss 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 Group 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 Group's and the parent 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.

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.

Independent Auditor's Report

to the Members of RSK Group Limited

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 14, 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 Group's and the parent 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 Group or the parent 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:

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 Group through discussions with directors and other management, and from our cumulative audit and commercial knowledge and experience of the Group 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 Group 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

Independent Auditor's Report

to the Members of RSK Group Limited

- 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 Group'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.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Michael Brooke FCA (Senior Statutory Auditor)
For and on behalf of UHY Ross Brooke, Statutory Auditor

Suite 1 Windrush Court
Abingdon Business Park
Abingdon
Oxfordshire
OX14 1SY

16 February 2024

Consolidated Profit and Loss Account

for the Period from 4 April 2022 to 2 April 2023

	Note	£ 000	£ 000
	3	1,220,045	795.992
Other external charges		(517,899)	(314.702)
Net fee income		702,146	481.290
Other operating expenses		(194,113)	(148.858)
Staff costs	9	(531,373)	(346.213)
Other operating income	4	15,677	14.986
Operating (loss)/profit	5	(7,663)	1.205
		70,828	51.939
Amortisation of intangible assets		(54,150)	(33.212)
Impairment of intangible assets		(1,476)	(2.136)
Depreciation		(22,806)	(15.395)
Amounts written off investments		(1,494)	-
Profit on disposal of tangible assets		1,435	9
		(7,663)	1.205
Other interest receivable and similar income	7	1,371	600
Interest payable and similar expenses	8	(74,344)	(39.905)
		(72,973)	(39.305)
		(80,636)	(38.100)
Taxation	12	(3,721)	(4.584)
		(84,357)	(42.684)
Owners of the company		(85,126)	(43.287)
Minority interests		769	603
		(84,357)	(42.684)

Consolidated Statement of Comprehensive Income

for the Period from 4 April 2022 to 2 April 2023

	£ 000	£ 000
Loss for the period	(84,357)	(42 684)
Foreign currency translation gains/(losses)	3,408	331
Other gains/(losses)	322	-
Remeasurement gain/(loss) on defined benefit pension schemes	(68)	165
	3,662	496
	(80,695)	(42 188)
<hr/>		
Owners of the company	(81,575)	(42,857)
Minority interests	880	669
	(80,695)	(42,188)

Consolidated Balance Sheet

RSK Group Limited (Registration number: 03761340)
as at 2 April 2023

	Note	£ 000	£ 000
Intangible assets	13	367,166	201,655
Tangible assets	14	113,122	74,377
Investments	15	310	553
		480,598	276,585
Stocks	17	9,709	5,685
Debtors	18	450,769	292,092
Cash at bank and in hand	19	103,663	110,698
		564,141	408,475
Amounts falling due within one year	20	(447,875)	(312,478)
	21	(6,189)	(3,167)
		110,077	92,830
		588,675	369,415
Amounts falling due after more than one year	20	(796,045)	(491,107)
	23	(267)	(248)
		(205,637)	(121,940)
Called up share capital	24	1,913	1,667
Capital redemption reserve		177	177
Other reserves		(1,995)	(1,198)
Profit and loss account		(213,561)	(125,008)
Translation reserve		5,140	-
		(208,326)	(124,362)
		2,689	2,422
		(205,637)	(121,940)

Approved and authorised by the Board on 16th February 2024 and signed on its behalf by



A A Ryder
Director

Company Balance Sheet

RSK Group Limited (Registration number: 03761340)
as at 2 April 2023

	Note	£ 000	£ 000
Intangible assets	13	1,543	3,317
Tangible assets	14	8,583	6,752
Investments	15	310,463	300,700
		320,589	310,769
Debtors – due after one year	18	688,232	396,803
Debtors – due within one year	18	51,858	54,869
Cash at bank and in hand	19	3,410	2,874
		743,500	454,546
Amounts falling due within one year	20	(74,532)	(77,070)
		668,968	377,476
		989,557	688,245
Amounts falling due after more than one year	20	(748,561)	(454,058)
		-	(128)
		240,996	234,059
Called up share capital	24	1,913	1,667
Capital redemption reserve		177	177
Fair value reserve		238,283	228,498
Other reserves		(1,995)	(1,198)
Profit and loss account		2,618	4,915
		240,996	234,059

The company made a Loss after tax for the financial period of £459,000 (2022 – Profit of £23,504,000).

Approved and authorised by the Board on 16th February 2024 and signed on its behalf by:



A A Ryder
Director

Consolidated Statement of Changes in Equity

for the Period from 4 April 2022 to 2 April 2023

Equity attributable to the parent company

	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
At 5 April 2021	1 391	177	(826)	(80 313)	(79 571)	1 919	(77 652)
(Loss)/profit for the period	-	-	-	(43 287)	(43 287)	603	(42 684)
Pension actuarial gain net of deferred tax	-	-	-	165	165	-	165
Other comprehensive income	-	-	-	265	265	66	331
Total comprehensive income	-	-	-	(42,857)	(42,857)	669	(42,188)
Dividends	-	-	-	(1 838)	(1 838)	(435)	(2 273)
Issue of shares	276	-	-	-	276	-	276
Purchase of own share capital	-	-	(372)	-	(372)	-	(372)
Reduction of non-controlling interest	-	-	-	-	-	269	269
At 3 April 2022	1,667	177	(1,198)	(125,008)	(124,362)	2,422	(121,940)

	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
At 4 April 2022	1 667	177	(1 198)	-	(125 008)	(124 362)	2 422
(Loss)/profit for the period	-	-	-	-	(85 126)	(85 126)	769
Reserves transfer – historical translation gains	-	-	-	1 732	(1 732)	-	-
Pension actuarial gain net of deferred tax	-	-	-	-	(68)	(68)	-
Other comprehensive income	-	-	-	3 408	211	3,619	111
Total comprehensive income	-	-	-	5,140	(86,715)	(81,575)	880
Dividends	-	-	-	-	(1 838)	(1 838)	(695)
Issue of shares	246	-	-	-	-	246	-
Purchase of own share capital	-	-	(797)	-	-	(797)	-
Investment in non-controlling interests	-	-	-	-	-	-	82
At 2 April 2023	1,913	177	(1,995)	5,140	(213,561)	(208,326)	2,689

Company Statement of Changes in Equity

for the Period from 4 April 2022 to 2 April 2023

Equity attributable to the parent company

	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
At 5 April 2021	1,391	177	139,568	(826)	(16,751)	123,559
Profit for the period	-	-	-	-	23,504	23,504
Other comprehensive income	-	-	88,930	-	-	88,930
Total comprehensive income	-	-	88,930	-	23,504	112,434
Dividends paid	-	-	-	-	(1,838)	(1,838)
Issue of shares	276	-	-	-	-	276
Purchase of own share capital	-	-	-	(372)	-	(372)
At 3 April 2022	1,667	177	228,498	(1,198)	4,915	234,059

	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
At 4 April 2022	1,667	177	228,498	(1,198)	4,915	234,059
Loss for the period	-	-	-	-	(459)	(459)
Other comprehensive income	-	-	9,785	-	-	9,785
Total comprehensive income	-	-	9,785	-	(459)	9,326
Dividends paid	-	-	-	-	(1,838)	(1,838)
Issue of shares	246	-	-	-	-	246
Purchase of own share capital	-	-	-	(797)	-	(797)
At 2 April 2023	1,913	177	238,283	(1,995)	2,618	240,996

Consolidated Statement of Cash Flows

for the Period from 4 April 2022 to 2 April 2023

	Note	£ 000	£ 000
Loss for the period		(84,357)	(42 684)
Depreciation, amortisation and impairments	5	78,432	50 743
Profit on disposal of tangible assets	5	(1,435)	(9)
Amounts written off investments	5	1,494	-
Finance income	7	(1,371)	(600)
Finance costs	8	74,344	39 905
Income tax expense	12	3,721	4,584
		<u>70,828</u>	<u>51 939</u>
Increase in stocks		(708)	(375)
Increase in trade and other debtors		(22,129)	(41 582)
Increase in trade and other creditors		27,432	21,703
Difference between net pension expense and cash contribution		(49)	122
(Decrease)/increase in provisions		(22)	67
Cash generated from operations		<u>75,352</u>	<u>31,874</u>
Income taxes paid		<u>(4,028)</u>	<u>(4 616)</u>
		<u>71,324</u>	<u>27 258</u>
Interest received		1,235	459
Acquisition of tangible assets		(40,846)	(32 972)
Proceeds from sale of tangible assets		6,799	2 079
Acquisition of intangible assets		(1,609)	(1 165)
Acquisition of net assets of acquired entities		(284,312)	(80 180)
Disposal of non-controlling interests		103	368
		<u>(318,630)</u>	<u>(111 411)</u>
Interest paid		(56,747)	(41 664)
Movement in borrowings		283,626	175 173
Income from shares in Group undertakings		136	141
Dividends paid		(2,533)	(2 273)
Purchase of shares		(551)	(97)
		<u>223,931</u>	<u>131,280</u>
		<u>(23,375)</u>	<u>47,127</u>
Cash and cash equivalents at beginning of period		108,609	61 248
Effect of exchange rate fluctuations on cash held		<u>3,391</u>	<u>234</u>
		<u>88,626</u>	<u>108 609</u>

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

1 General information

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

The address of its registered office is:

Spring Lodge
172 Chester Road
Helsby
Cheshire
WA6 0AR
England

For the period ended 2 April 2023, the following subsidiaries of the company were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies

Acies Civil and Structural Limited	07195701
Argrennan Estate Limited	13876305
Argus Environmental Limited	02769631
ATP Architects + Surveyors Limited	08648558
Binnie & Partners Limited	12999342
BMG Research Holdings Limited	10236510
Brown & May Marine Holdings Limited	12696411
C. J. Associates Geotechnical Limited	01544609
CAN Renewables Limited	12543555
CAN Structures Limited	04903359
CAN UK Holdings Limited	04904666
Carbon Zero Consulting Limited	03320795
Central Alliance Limited	08887003
Cognica Limited	03498533
Consents Solutions Ltd	07802798
Copeland Wedge Associates Ltd	07709882
Cumbria Access Services Limited	03366725

Drilling Supplies & Hire Services Limited	06045403
DVCR Group Limited	10212690
Dynamic Sampling UK Limited	04143018
Ecologia Environmental Solutions Holdings Limited	07330158
Electrokinetic Limited	04183422
Entrainment Limited	06245436
EnviroLab Limited	04487136
Geocore Site Investigations Limited	04042825
Headland Group Limited	SC162974
Ian Farmer Associates (1998) Limited	03661447
JB Site Investigations Limited	10057964
KMGP Limited	04249588
Midrock Construction Limited	08250303
Nature Positive Limited	12795484
Non Entry Systems Limited	03052061
PB Drilling Limited	11533592
Pelling Limited	02551068
Pendragon Holdings Limited	10212776
Proeon Holdings Limited	11306634
Richard Allitt Associates Limited	03255404
RSK (Ireland) Limited	05857689
RSK Acoustics Limited	07102436
RSK Integrated Waste Solutions Limited	13412469
RSK Investments Limited	04500781
RSK Project Services Limited	02901671
RSK Radiological Limited	06367880
RSK Raw Limited	12071477
RSK Stats Environmental Health and Safety Limited	04639175
RSKW Ltd	06548422

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

Silcock Leedham Group Ltd	07470740
Spencer ECA Group Limited	12025776
TBF Contracting Limited	09762168
Terraffix Soil Solutions Limited	11795873
Thus Consultants Limited	12258876
Up And Under (Specialist Contracts) Limited	03588412
Up And Under Group Limited	05435793
Up And Under Limited	02434409
Waldrams Limited	08809725
Watertrain Acquisitions Limited	08571292

The Group consolidated financial statements include the financial statements of RSK Group Limited and entities controlled by RSK Group Limited (its subsidiaries) made up to 2 April 2023. The Group controls an entity when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The interest of minority interests in the acquiree is initially measured at the minority interest's proportion of the net fair value of the assets and liabilities recognised. Where minority interests are acquired, the excess of cost over the value of the minority interest acquired is recorded in equity.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

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.

These financial statements were prepared in accordance with Financial Reporting Standard (FRS) 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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 Group and rounded to the nearest £000 for presentation purposes.

No Profit and Loss account is presented for the parent company as permitted by section 408 of the Companies Act 2006.

The company has taken advantage of exemptions conferred by FRS 102 not to disclose transactions between wholly owned members of the Group.

The accounting policies described in this section apply to the financial statements of both the Group and the parent company (where applicable) except where specified otherwise.

Subsidiary undertakings are included using the acquisition method of accounting. Under this method the Group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside the Group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. Where the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or where contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

Goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

In adopting the going concern basis for preparing the financial statement, the Directors have considered, amongst other matters, the Group's principal risks and uncertainties as set out in the Strategic Report.

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.

The Group has 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. A £250m upside to the committed acquisition facility from the incremental acquisition facility was completed in May 2022. As at 2nd April 2023, the funds comprised a £750m committed acquisition facility and a £250m uncommitted acquisition facility. A further £250m upside was completed in May 2023. The Group had a £40m revolving credit facility with NatWest bank, which was increased to £50m in May 2023.

The Group agreed an Incremental Facility of 75 000 000 Australian Dollars in December 2022. A further Incremental

Facility of 41,000 000 Australian Dollars was agreed in August 2023.

These facilities will predominantly finance acquisitive growth and associated working capital requirements.

The Group's primary covenant is Adjusted Leverage (the ratio of an Adjusted EBITDA-based metric to net debt), on its debt facility. The covenant is measured monthly on a "last twelve month" basis, with the target ratio reducing over time. The directors have reviewed and are comfortable with the level of headroom on the covenant in the debt facilities. The Group is susceptible to fluctuations in interest rates and sensitivity analysis has been performed as detailed in the strategic report, which demonstrated that in all modelled scenarios, the Group would still be within their covenants and would have sufficient cash to repay the interest.

After reviewing the Group's net liabilities position and Company's net asset position, their cash balances and projected cash flows, borrowing facilities and the sensitivity analysis as described above, the directors believe that the Group and the Company have adequate resources to continue to meet its financing requirements and comply with covenants and continue operations 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.

The Group's significant accounting policies under FRS 102 have been set by management. The application of these policies requires management to make assumptions and estimates about future events. The resulting accounting estimates will, by definition, differ from the actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Under FRS 102, an estimate or judgement may be considered critical if it involves matters that are highly uncertain or where different estimation methods could reasonably have been used, or if changes in the estimate that would have a material impact on the Group's results are likely to occur from period to period.

In preparing the financial statements, no judgements have been made in the process of applying the Group's accounting policies that have had a significant effect on the amounts recognised in the financial statements, other than those involving estimations as detailed below.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

Key sources of estimation uncertainty

Investments in subsidiaries are held on the Company Balance Sheet at fair value, based on the directors' assessment, which contains an element of estimation uncertainty. Methodology for determining fair value is described more fully in accounting policies on pages 29 and 30. The carrying amount is £310,463,000 (2022: 300,700,000).

The Group's revenue policies (set out in the 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. The carrying amount is £148,832,000 (2022: £92,121,000).

The Group reviews its intangible assets and goodwill on an annual basis to determine if there is any indication of impairment. If any indication exists, the Group will estimate the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. The estimate of impairment will then be based on the future cash flows from the CGU discounted at appropriate discount rates. Impairment on goodwill has been charged during the period of £1,476,000 (2022: £2,136,000). The carrying amount of goodwill is £364,517,000 (2022: £197,450,000).

The Group operates two defined benefit pension schemes. The net position of the schemes are determined by actuaries using assumptions for mortality rates, discount rates, inflation and future pension increases. The final position of the scheme will only be known with certainty once the last benefit has been paid out. The carrying amount is £267,000 (2022: £248,000). Please see note 23 for further details.

Creditors includes £59,627,000 (2022: £56,651,000) in respect of deferred consideration arising from business combinations, of which £33,082,000 (2022: £33,746,000) is due within one year and £26,545,000 (2022: £22,905,000) due after one year. A substantial portion of these figures are contingent consideration in respect of earnout arrangements. Contingent consideration has been provided for in the above figures and in the cost of the investments, to the extent that it is probable and can be measured reliably, with the remainder, which the directors consider too remote to provide for, being disclosed as a contingent liability – see note 29. These figures contain a

degree of estimation uncertainty due to the inherent uncertainty in estimating future years' profitability

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

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 Group 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 are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

The amount of grants recognised in the financial statements is set out in Note 6.

Interest income is recognised using the effective interest method and dividend income is recognised as the Group's right to receive payment is established.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

Research and development expenditure is charged against profits in the year in which it is incurred, unless it meets the criteria for capitalisation as set out in FRS 102 Section 18 'Intangible Assets other than Goodwill'.

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 rates prevailing on the initial transaction dates.

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

The results of overseas operations are translated at the average rates of exchange during the year and their balance sheets at the rates prevailing at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations and on foreign currency borrowings to the extent that they hedge the Group's investment in such operations, are reported in the Statement of Total Recognised Gains and Losses.

The tax expense for the period 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 reporting date in the countries where the Group operates and generates taxable 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.

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Investments in subsidiaries are included on the Company Balance Sheet at fair value. The most recent valuation was performed on 2 April 2023 and the directors determined the method of valuation.

Estimation methodology

The fair value assessment for RSK Environment Limited, being the principal, material subsidiary, is based on a multiple times the aggregated last-12-months' EBITDA figures for the companies in this sub-Group (except for newly acquired companies in the financial year, which are valued based on the price paid for them in the year). Adjusted EBITDA is used as the basis for the revaluation as businesses are acquired based on this metric. Adjusted EBITDA includes adjustments for exceptional and non-recurring items, including management charges.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

The multiple used in the valuation is determined by Management, with guidance from independent corporate finance experts who base multiples on market standards from listed and unlisted companies.

Adjusted EBITDA multiplied by the multiple gives the 'Enterprise Value' for that subsidiary. This is adjusted to calculate the 'Equity Value' by adding the fair value of freehold property, cash and cash equivalents and deducting debt and minority interests. The Equity Value is used as the fair value for the purpose of remeasuring the financial assets. The total Equity Value is compared to the brought forward value, with gains/losses recorded in other comprehensive income. Any losses which would take the revalued investment below cost are expensed to the profit and loss account.

The gain in the year of £9,785,000 is attributable to a combination of:

- a) changes in assumptions including the EBITDA multiples,
- b) changes in market conditions, and
- c) the performance of the individual underlying companies.

The fair value is £310,463,000 (2022: £300,700,000), being the directors' assessment of the amount for which these assets could be exchanged, between knowledgeable, willing parties in an arm's length transaction.

Sensitivity

Because the multiples used to reach the valuation are a matter of judgement and subject to a high degree of uncertainty, management have performed a sensitivity analysis to demonstrate the effect on the valuation of using different multiples. If the multiples were to increase/decrease by 10% this would give rise to a corresponding increase/decrease of £81,741,000 to the total fair value figure.

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are

recovered.

Development costs relating to the development of new service lines are capitalised when these costs result in the improvement of the Group's capability in this area.

Other research costs are written off to the profit and loss account in the year in which they are incurred.

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	3 years to 10 years straight line
Development costs	5 years straight line

In the year of acquisition a full year's goodwill amortisation is provided for in the P&L for each company.

Tangible assets are stated in the statement of financial position 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
Leasehold property	over the period of the lease
Plant and machinery	5% to 33% per annum of cost
Furniture, fittings, IT and equipment	15% to 33% per annum of cost
Motor vehicles	25% straight line basis

Assets in the course of construction

Assets in the course of construction are stated at cost. Cost includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be of operating in the manner intended by management. These assets are not depreciated until they are available for use and are reviewed for impairment at each reporting date.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

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.

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a

charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the Group's best estimate at the balance sheet date of the likely future economic outflows required to settle the obligation.

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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.

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.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

Dividend distributions to the company's shareholders are recognised in the Statement of Changes in Equity in the reporting period in which the dividends are declared.

The Group has an established Employee Benefit Trust ("EBT") to which it is the sponsoring entity. Notwithstanding the legal duties of the trustees, the Group considers that it has 'de facto' control. The EBT is accounted for as assets and liabilities of the Group and is included in the consolidated and Company financial statements. The Group's equity instruments held by the EBT are accounted for as if they were the Group's own equity and are treated as treasury shares. No gain or loss is recognised in profit or loss or other comprehensive income on the purchase sale or cancellation of the Group's own equity held by the EBT.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Pensions

The Group has both defined benefit and defined contribution schemes.

Defined benefit schemes are operated for the employees of one of its UK subsidiaries and a German subsidiary. The scheme for the UK subsidiary is now closed and no service cost is incurred. The schemes are funded, with the assets of the schemes held separately from those of the Group in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to scheme liabilities. The actuarial valuations are obtained triennially. The resultant defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Pension actuarial gain net of deferred tax'.

The Group contributes to a Group Personal Pension Plan various stakeholder schemes and to employees' personal pension plans. For these defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either other creditors or prepayments in the balance sheet.

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.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

3 Revenue

The analysis of the Group's turnover for the period by market is as follows.

	£ 000	£ 000
UK	957,776	625,262
Rest of world	262,269	170,730
	1,220,045	795,992

The majority of the Group's turnover is derived from rendering of services.

4 Other operating income

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

	Note	£ 000	£ 000
Research and Development Expenditure Tax Credits		7,934	7,363
Government Grants	6	6,353	6,139
Other operating income		1,390	1,484
		15,677	14,986

5 Operating profit

Arrived at after charging/(crediting)

	£ 000	£ 000
Research and development expense	42,829	37,082
Depreciation - owned	14,659	11,680
Depreciation - leased	8,147	3,713
Amortisation expense	54,149	33,212
Impairment of intangible assets	1,476	2,136
Amounts written off investments	1,494	-
Foreign exchange losses	2,087	228
Operating lease expense	6,168	6,044
Profit on disposal on of tangible assets	(1,435)	(9)
Stock provisions	580	76

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

6 Government grants

The amount of grants recognised in the financial statements was £6,353,000 (2022 - £6,139,000), arising in the normal course of business working on projects which are government funded.

7 Other interest receivable and similar income

	£ 000	£ 000
Interest income on bank deposits	211	65
Dividend income	136	141
Other finance income	1,024	394
	<u>1,371</u>	<u>600</u>

8 Interest payable and similar expenses

	£ 000	£ 000
Interest payable on bank overdrafts and borrowings	54,370	24,275
Rolled-up interest on borrowings	9,829	6,104
Refinancing costs	7,038	7,655
Interest expense on other finance liabilities	1,916	1,286
Interest on obligations under finance leases and hire purchase contracts	1,191	585
	<u>74,344</u>	<u>39,905</u>

9 Staff costs

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

	£ 000	£ 000
Wages and salaries	465,791	304,920
Social security costs	39,082	24,044
Pension costs, defined contribution scheme	16,331	10,980
Other benefit costs	<u>10,169</u>	<u>6,269</u>
	<u>531,373</u>	<u>346,213</u>

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

	2023 No.	2022 No.
Management and administration	1,993	1,343
Technical and professional	<u>8,539</u>	<u>6,442</u>
	<u>10,532</u>	<u>7,785</u>

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

10 Directors' remuneration

The directors' remuneration for the period was as follows

	£ 000	£ 000
Remuneration	3,580	2,241
Contributions paid to money purchase schemes	179	90
	<u>3,759</u>	<u>2,331</u>

Excluded from the above table is remuneration for three directors who were paid by subsidiary companies, with no recharge being made to RSK Group Limited. Total remuneration for these three directors was £274 000 (2022 £163,000)

During the period the number of directors who were receiving benefits and share incentives was as follows

	No.	No
Accruing benefits under money purchase pension scheme	12	11

In respect of the highest paid director

	£ 000	£ 000
Remuneration	500	800
Company contributions to money purchase pension schemes	25	0

11 Auditors' remuneration

	£ 000	£ 000
Audit of these financial statements	300	250
Audit of the financial statements of subsidiaries of the company pursuant to legislation	1,000	675
	<u>1,300</u>	<u>925</u>
Taxation compliance services	150	250
Other non-audit services	50	125
	<u>200</u>	<u>375</u>

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

12 Taxation

Tax charged/(credited) in the income statement

	£ 000	£ 000
UK corporation tax	1,281	588
Foreign tax	5,788	2,064
Withholding tax	657	478
Adjustments in respect of prior years	(621)	(333)
Total current income tax	7,105	2,797
Arising from origination and reversal of timing differences	(1,657)	2,029
Impact of change in tax rate	31	(423)
Adjustments in respect of previous years	(1,758)	181
	(3,384)	1,787
Tax expense in the income statement	3,721	4,584

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%. The change will come into effect from 1 April 2023. This change is reflected as appropriate in the deferred tax calculations within these financial statements.

Adjustments in relation to the prior year materially relate to the impact of changing capital allowance treatments from the forecasted position. Movements in unrecognised deferred taxes relate to additional losses being created in the period which have not been recognised on the balance sheet.

The UK Government, under recommendation from the Organisation for Economic Co-operation and Development ("OECD"), has implemented legislation in relation to the Base Erosion and Profit Shifting ("BEPS") Pillar Two to create a Minimum Tax Directive globally. In accordance with the rules, the RSK Group has performed an impact assessment of its global tax position to assess the potential impact of these rules which are effective in 2024. Based on this impact assessment, it is expected that safe harbour rules will apply for the transitional period for the majority of jurisdiction and as such, it is expected that the provisions will have an immaterial effect on the Groups tax position.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

12 Taxation (continued)

The differences are reconciled below:

	£ 000	£ 000
Loss before tax	(80,636)	(38 100)
Corporation tax at standard rate	(15,321)	(7 239)
Effect of expense not deductible in determining taxable profit (tax loss)	11,224	7,259
Income not taxable	(705)	(7)
Deferred tax expense/(credit) from unrecognised tax loss or credit	12,287	5,701
Decrease in UK and foreign current tax from adjustment for prior periods	(2,421)	(152)
Tax increase arising from overseas tax suffered/expensed	509	393
Other tax effects for reconciliation between accounting profit and tax (income)/expense	(1,852)	(948)
Remeasurement of deferred tax - change in UK tax rate	-	(423)
Total tax charge	3,721	4 584

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

13 Intangible assets

Group

	£ 000	£ 000	£ 000
At 4 April 2022	278,507	10,052	288,559
Additions	208,793	185	208,978
Acquired through business combinations	1,806	418	2,224
Adjustments to fair value	12,608	-	12,608
Disposals	(1,782)	(8)	(1,790)
Currency retranslation	246	-	246
At 2 April 2023	<u>500,178</u>	<u>10,647</u>	<u>510,825</u>
At 4 April 2022	81,057	5,847	86,904
Acquired through business combinations	1,731	181	1,912
Amortisation charge	52,179	1,970	54,149
Impairment loss	1,476	-	1,476
Disposals	(882)	-	(882)
Currency retranslation	100	-	100
At 2 April 2023	<u>135,661</u>	<u>7,998</u>	<u>143,659</u>
At 2 April 2023	<u>364,517</u>	<u>2,649</u>	<u>367,166</u>
At 4 April 2022	<u>197,450</u>	<u>4,205</u>	<u>201,655</u>

Development costs relate to a number of new service lines including establishing a waste management capability, developing a methodology to reuse waste products in agriculture, developing treatment processes to recover valuable assets from waste products and developing a model to identify and delineate certain pollutants to enable effective remediation.

Some of the development projects are revenue generating in the year and amortisation is being charged.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

13 Intangible Fixed Assets (continued)

Company

	£ 000	£ 000
At 4 April 2022	8,873	8,873
Additions	-	-
At 2 April 2023	8,873	8,873
At 4 April 2022	5,556	5,556
Amortisation charge	1,774	1,774
At 2 April 2023	7,330	7,330
At 2 April 2023	1,543	1,543
At 4 April 2022	3,317	3,317

Development costs relate to a number of new service lines including establishing a waste management capability, developing a methodology to reuse waste products in agriculture, developing treatment processes to recover valuable assets from waste products and developing a model to identify and delineate certain pollutants to enable effective remediation.

The development projects are revenue generating in the year and amortisation is being charged.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

14 Tangible assets

Group

	£ 000	£ 000	£ 000	£ 000	£ 000
At 4 April 2022	25,173	96,743	35,640	1,137	158,693
Reclassification between categories	1,354	25	-	(1,379)	-
Acquired through business combinations	5,957	36,125	8,918	-	51,000
Additions	4,311	20,648	14,429	1,779	41,167
Disposals	(2,931)	(6,857)	(4,896)	(127)	(14,811)
Currency retranslation	755	136	137	23	1,051
At 2 April 2023	34,619	146,820	54,228	1,433	237,100
At 4 April 2022	8,113	57,900	18,303	-	84,316
Acquired through business combinations	1,445	19,800	4,278	-	25,523
Charge for the period	1,600	13,870	7,336	-	22,806
Eliminated on disposal	(1,233)	(4,872)	(3,228)	-	(9,333)
Currency retranslation	805	(12)	(127)	-	666
At 2 April 2023	10,730	86,686	26,562	-	123,978
At 2 April 2023	23,889	60,134	27,666	1,433	113,122
At 4 April 2022	17,060	38,843	17,337	1,137	74,377

Included within the net book value of land and buildings above is £11,646,315 (restated 2022 - £5,865,690) in respect of leasehold land and buildings and £12,253,438 (restated 2022 - £11,194,394) in respect of freehold land and buildings.

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts

	£ 000	£ 000
Motor vehicles, fixtures, fittings and equipment	32,612	19,397

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

14 Tangible Assets (continued)

Company

	£ 000	£ 000	£ 000	£ 000	£ 000
At 4 April 2022	3,908	2,637	5,985	928	13,458
Reclassification between categories	1,354	25	-	(1,379)	-
Additions	2,046	737	232	1,723	4,738
Disposals	-	(50)	(578)	(4)	(632)
At 2 April 2023	7,308	3,349	5,639	1,268	17,564
At 4 April 2022	2,108	1,598	3,000	-	6,706
Charge for the period	873	601	883	-	2,357
Eliminated on disposal	-	(13)	(69)	-	(82)
At 2 April 2023	2,981	2,186	3,814	-	8,981
At 2 April 2023	4,327	1,163	1,825	1,268	8,583
At 4 April 2022	1,800	1,039	2,985	928	6,752

Included within the net book value of land and buildings above is £3,181,000 (2022 - £653,000) in respect of leasehold land and buildings and £1,146,000 (2022 - £1,145,000) in respect of freehold land and buildings.

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts.

	£ 000	£ 000
Motor vehicles, fixtures, fittings and equipment	1,824	2,987

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

15 Investments

Group

	£ 000	£ 000
Investments	310	553

Details of the investments in which the company or one its subsidiaries holds 20% or more of the nominal value of any class of share capital are as follows

4AP-Geoteknik A/S	Denmark	Geotechnical services	100%	*
AA Milieu-en Adviesbureau BV (Adverbo)	Netherlands	Environmental Consultancy	51%	*
Absolute Solar and Wind Ltd	Scotland	Engineering and construction services	100%	*
Acies Civil and Structural Limited	England & Wales	Structural Engineering	100%	*
Acorn Chemical Services Limited	England & Wales	Environmental services	100%	*
ADAS Silverdale Limited	England & Wales	Environmental consultancy	91.8%	*
ADEV Environnement SAS	France	Environmental Consultancy	100%	*
Advantage RSK Limited	England & Wales	Quantity surveyors	82.2%	*
Advantage RSK Ltd	Israel	Quantity surveyors	82.2%	*
Althoff & Lang GmbH	Germany	Environmental consultancy	100%	*
Amberco BvBa	Belgium	Dormant	99.67%	*
Amphos 21 Consulting Chile LTDA	Chile	Environmental consultancy	100%	*
Amphos 21 Consulting Peru Sac	Peru	Environmental consultancy	100%	*
Amphos 21 Consulting S.L	Spain	Environmental consultancy	100%	*
Amphos 21 Group S.L.	Spain	Environmental consultancy	100%	*
Argrennan Estate Limited	England & Wales	Property management	100%	*
Argus Environmental Limited	England & Wales	Non-trading	100%	*
ATP Architects + Surveyors Limited	England & Wales	Architectural services	100%	*
Azerbaijan Environment and Technology Centre Limited	Scotland	Environmental Consulting	100%	*

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

Azerbaijan Environmental Services MMC	Azerbaijan	Environmental Consulting	100%	*
BGT Hungaria Kornyezetekologiai Korlatolt Felelossegu Tarsasag	Hungary	Environmental Consulting	100%	*
Binnie & Partners Limited	England & Wales	Holding company	100%	*
Binnies Hong Kong Limited	Hong Kong	Engineering and construction services	100%	*
Binnies Philippines Limited	Philippines	Consultancy	100%	*
Binnies Shenzhen Limited	China	Engineering services	100%	*
Binnies Singapore Limited	Singapore	Engineering and construction services	100%	*
Binnies UK Limited	England & Wales	Engineering and construction services	100%	*
BMG Research Holdings Limited	England & Wales	Holding company	100%	*
BMG Research Ltd	England & Wales	Research	100%	*
Brown & May Marine Holdings Limited	England & Wales	Holding company	100%	*
Brown & May Marine Limited	England & Wales	Marine environmental consultancy	100%	*
BTS Group Limited	England & Wales	Vegetation management	100%	*
Building Sciences Limited	England & Wales	Non-trading	100%	*
C.J. Associates Geotechnical Ltd	England & Wales	Drilling and site investigations	100%	*
C.R. Civil Engineering Limited	England & Wales	Engineering services	100%	*
Calibrate Group Limited	England & Wales	Holding company	100%	*
Calibrate Inc Ltd	England & Wales	Environmental consultancy	100%	*
Calibrate Leasing Limited	England & Wales	Environmental consultancy	100%	*
Calibrate Maintenance Ltd	England & Wales	Environmental consultancy	100%	*
CAN Geotechnical Limited	England & Wales	Geotechnical services	100%	*
CAN Limited	England & Wales	Dormant	100%	*
CAN London Limited	England & Wales	Dormant	100%	*
CAN Renewables	England & Wales	Renewables maintenance	100%	*
CAN Structures Limited	England & Wales	Construction services	100%	*
CAN UK Holdings Limited	England & Wales	Holding company	100%	*
Carbon Zero Consulting Limited	England & Wales	Environmental consultancy	100%	*
CBEC Eco Engineering UK Limited	Scotland	Eco-Engineering	51%	*

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

Ceetech Limited	England & Wales	Mechanical engineering firm	100%	*
Centara Bureau Services Limited	England & Wales	Environmental consultancy	100%	*
Centara Engineering Services Limited	England & Wales	Engineering services	100%	*
Centara Group Limited	England & Wales	Holding company	100%	*
Centara Limited	England & Wales	Environmental consultancy	100%	*
Central Alliance (Holdings) Limited	England & Wales	Holding company	100%	*
Central Alliance Pre Construction Ltd	England & Wales	Site investigation services	100%	*
Certus Utility Consulting Limited	England & Wales	Utilities consultancy	100%	*
Cognica Limited	England & Wales	Construction services	100%	*
Consent Solutions Limited	England & Wales	Consenting services	100%	*
Copeland Wedge Associates Ltd	England & Wales	Engineering consultancy	100%	*
Copper Consultancy Limited	England & Wales	Strategic communications	84.62%	*
CRCE Plant Limited	England & Wales	Plant hire	100%	*
CS2 Limited	England & Wales	Building and quantity surveyors	100%	*
Cumbria Access Services Limited	England & Wales	Specialist services	100%	*
CX Energy Ltd	England & Wales	Construction consultancy	100%	*
CX Group Holdings Limited	England & Wales	Holding company	100%	*
CX Utilities Limited	England & Wales	Utilities service provider	100%	*
Dermot Casey Hire & Sales Limited	Ireland	Arboricultural services	100%	*
Dermot Casey Tree Care Limited	Ireland	Arboricultural services	100%	*
Dionysus Group PTY Limited (t/a Western Project Services)	Australia	Environmental Consultancy	100%	*
Dr Tillmanns & Partner GmbH	Germany	Environmental consultancy	100%	*
Drilling Supplies UK Limited	England & Wales	Drilling services	100%	*
DVCR Group Limited	England & Wales	Holding company	100%	*
Dynamic Sampling UK Limited	England & Wales	Drilling and site investigations	100%	*
Ecologia Environmental Solutions Holdings Limited	England & Wales	Holding company	100%	*
Ecologia Environmental Solutions Limited	England & Wales	Environmental Consultancy	100%	*
Ecologia Environmental Solutions SRL	Italy	Site investigation services	55%	*

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

Economic Research Services Limited	England & Wales	Economic development consultancy	100%	*
EDP Consultants Limited	England & Wales	Environmental services	100%	*
EDP Consultants Hong Kong Limited	Hong Kong	Environmental services	100%	*
EDP Consultants PTY Limited	Australia	Environmental services	100%	*
EDP Health, Safety and Environmental Consultants Limited	England & Wales	Environmental services	100%	*
EDP Japan GK	Japan	Environmental services	98%	*
EDP Singapore PTE Limited	Singapore	Environmental services	100%	*
Eib Group Limited	England & Wales	Holding company	100%	*
Eib Growth Services Limited	England & Wales	Dormant company	100%	*
Eib Professional Services Limited	England & Wales	Environmental consultancy	100%	*
Electrokinetic Limited	England & Wales	Engineering construction and development	100%	*
Entrainment Limited	England & Wales	Scientific and technical services	100%	*
Envireau Limited	England & Wales	Environmental consultancy	100%	*
Enviresearch Limited	England & Wales	Environmental consultancy	100%	*
Enviresearch Portugal Unipessoal Lda	Portugal	Regulatory services	100%	*
Enviresearch Technologies Limited	England & Wales	Technology services	100%	*
Enviroflow Management Limited	England & Wales	Business support services	100%	*
Envirolab Limited	England & Wales	Drainage services	100%	*
Environmental Strategical Advice BV	Belgium	Environmental consultancy	99.5%	*
Fellows Construction Consultants Ltd	England & Wales	Construction consulting	100%	*
Fishtek Limited	England & Wales	Marine consultancy	100%	*
FR Consultants Limited	England & Wales	Risk consultancy	100%	*
Geocore Site Investigations Limited	England & Wales	Site investigation services	100%	*
GeoExperts GmbH	England & Wales	Environmental engineering	100%	*
Geotechnical and Structural Services (Holdings) Limited	England & Wales	Holding company	100%	*
Geotechnical and Structural Services Limited	England & Wales	Holding company	100%	*
Gold Coast Water Collective Pty Ltd	Australia	Economic development consultancy	100%	*

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

Gridflex Ltd	England & Wales	Construction consultancy	51%	*
Ground Heat Installations Limited	England & Wales	Renewable heat solutions	100%	*
Hanways Insurance Company Limited	Guernsey	Insurance services	100%	*
Hawkins Electrical Holdings Limited	England & Wales	Holding company	100%	*
Hawkins Electrical Limited	England & Wales	Electrical service provider	100%	*
Headland Archaeology (UK) Limited	Scotland	Archaeological services	100%	*
Headland Group Limited	Scotland	Holding company	100%	*
Hollywood Civil Engineering Limited	England & Wales	Civil and mechanical engineering	100%	*
Hydrofix Limited	England & Wales	Marine geoscience consultancy	100%	*
Ian Farmer Associates (1998) Ltd	England & Wales	Site investigation services	100%	*
Inis Environmental Consultants	Ireland	Environmental consultancy	100%	*
Interactive Comms Limited	Ireland	Engineering consultancy	100%	*
Irish Drilling Limited	Ireland	Mineral exploration	100%	*
J & A Pelling Limited	England & Wales	Facilities management	100%	*
JB Site Investigations Limited	England & Wales	Drilling and site investigations	100%	*
KMGP Ltd	England & Wales	Engineering consultancy	100%	*
Leap Environmental Limited	England & Wales	Environmental consultancy	100%	*
MG Scaffolding (Oxford) Limited	England & Wales	Scaffolding company	100%	*
Midrock Construction Limited	England & Wales	Holding company	100%	*
Milestone Communications Limited	England & Wales	Engineering consultancy	100%	*
Minerex Environmental Limited	Ireland	Environmental consultancy	95%	*
MSS Consulting Limited	England & Wales	Environmental services	100%	*
MSS Environmental Limited	England & Wales	Environmental services	100%	*
MSS Facilities Services Ltd	England & Wales	Environmental services	100%	*
MSS Group Limited	England & Wales	Holding company	100%	*
MWH Constructors Limited	England & Wales	Environmental and facilities management	100%	*
MWH Farrer Limited	England & Wales	Engineering consultancy	100%	*
MWH Limited	England & Wales	Environmental and facilities management	100%	*

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

MWH Treatment Limited	England & Wales	Environmental and facilities management	100%	*
MWH UK Acquisitions Limited	England & Wales	Holding company	100%	*
Nature Positive Limited	England & Wales	Environmental consultancy	100%	*
Nicholas O'Dwyer & Company Limited	Ireland	Engineering consultancy	100%	*
Nicholas O'Dwyer Design & Development Limited	Ireland	Engineering consultancy	100%	*
Nicholas O'Dwyer Limited	Ireland	Engineering consultancy	100%	*
Nicholas O'Dwyer Limited	Northern Ireland	Engineering consultancy	100%	*
Non-Destructive Testing Services Ltd	England & Wales	Testing services	100%	*
Non Entry Systems Limited	England & Wales	Manufacturing of machinery	100%	*
Optisol Services Limited	England & Wales	Engineering construction	100%	*
PA Group (UK) Limited	England & Wales	Inspection and testing services	100%	*
PB Drilling Limited	England & Wales	Drilling activities	100%	*
Pelling Limited	England & Wales	Dormant	100%	*
Pellings LLP	England & Wales	Administration services	100%	*
Pendragon Holdings Limited	England & Wales	Holding company	100%	*
Pensar Building Pty Ltd	Australia	Infrastructure solutions provider	100%	*
Pensar Construction Group Pty Limited	Australia	Holding company	100%	*
Pensar Project Infrastructure Pty Ltd	Australia	Infrastructure solutions provider	100%	*
Pensar Structures Pty Ltd	Australia	Infrastructure solutions provider	100%	*
Pensar Utilities Pty Limited	Australia	Infrastructure solutions provider	100%	*
Pensar Water Pty Ltd	Australia	Infrastructure solutions provider	100%	*
Pharos Field Engineering Services Limited	England & Wales	Infrastructure services	100%	*
Pharos Generator Services Limited	England & Wales	Maintenance services	100%	*
Pharos Power Support Group Limited	England & Wales	Holding company	100%	*
Prizebreak Limited	Ireland	Holding company	100%	*
Proeon Holdings Limited	England & Wales	Holding company	100%	*
Proeon Systems Limited	England & Wales	Engineering services	100%	*
Project Milner Limited	England & Wales	Engineering consultancy	100%	*
Projence Pty Ltd	Australia	Project management	100%	*

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

PS Rail Limited	England & Wales	Dormant	100%	*
Quality Solutions International Limited	New Zealand	Environmental consultancy	68%	*
Quantum Geotechnic Limited	England & Wales	Environmental consultancy	100%	*
R.W. Management (Holdings) Limited	England & Wales	Holding company	100%	*
Remedx Limited	England & Wales	Remediation design and contracting	100%	*
RGM Environment Proprietary Limited	South Africa	Site management services	56%	*
Richard Allitt Associates Limited	England & Wales	Engineering consultancy	100%	*
Richard Irvin FM Limited	England & Wales	Electrical service provider	100%	*
ROCP Limited	England & Wales	Civil and geotechnical engineering	100%	*
RSK (Ireland) Limited	England & Wales	Environmental Consulting & Remediation	100%	*
RSK Acoustics Limited	England & Wales	Noise and vibrations consultancy	100%	*
RSK ADAS Europe (Ireland) Limited	Ireland	Environmental consultancy	100%	*
RSK ADAS Limited	England & Wales	Environmental consultancy	100%	*
RSK Alenco GmbH	Germany	Environmental consultancy	100%	*
RSK Benelux BvBa	Belgium	Environmental Consulting & Remediation	90%	*
RSK Biocensus Limited	England & Wales	Ecology consultancy services	100%	*
RSK Boden + Wasser GmbH	Austria	Environmental Services	100%	*
RSK Centre for Sustainability Excellence PTE Ltd	Singapore	Energy & sustainability services	100%	*
RSK Cevre Hizmetleri Anonim Sirketi	Turkey	Environmental, health & safety services	100%	*
RSK Dominican Republic SRL	Dominican Republic	Non-trading	100%	*
RSK Energy BV	Belgium	Energy & sustainability services	56.7%	*
RSK Environment (East Africa) Limited	Tanzania	Environmental consultancy	99%	*
RSK Environment (Ireland) Limited	Ireland	Environmental consultancy	100%	*
RSK Environment (Isle of Man) Limited	Isle of Man	Environmental consultancy	100%	*
RSK Environment (Kenya) Limited	Kenya	Environmental consultancy	100%	*
RSK Environment (Uganda) Limited	Uganda	Environmental consultancy	100%	*
RSK Environment (Tanzania) Limited	Tanzania	Environmental consultancy	80%	*

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RSK Environment Australia PTY Ltd	Australia	Environmental consultancy	100%	*
RSK Environment Italia SRL	Italy	Environmental consultancy	75%	*
RSK Environment Limited	Scotland	Environmental consultancy	100%	
RSK Environment LLC	UAE	Environmental consultancy	49%	
RSK Environment LLC	Russia	Environmental consultancy	100%	
RSK Environment Sh.P K	Albania	Environmental consultancy	100%	*
RSK Environment Switzerland GMBH	Switzerland	Environmental Consultancy	100%	*
RSK Environment WLL	Qatar	Environmental services	49%	*
RSK Environmental LLC	Georgia	Dormant	100%	*
RSK Environment Holding SAS	France	Environmental services	100%	*
RSK Environment SAS	France	Environmental services	100%	*
RSK Europe BV	Belgium	Environmental consultancy	100%	
RSK Falkland Islands Limited	Falkland Islands	Construction services	90%	*
RSK GCS Environment Propriety Limited	South Africa	Site management services	51%	*
RSK Group Trustees Limited	England & Wales	Trustee management company	100%	
RSK Hi-Line Limited	England & Wales	Environmental consultancy	100%	*
RSK Integrated Waste Solutions Limited	England & Wales	Waste management services	100%	*
RSK Investments Limited	England & Wales	Investment company	100%	*
RSK Land and Development Engineering Limited	England & Wales	Civil Engineering	55%	*
RSK Middle East Limited	England & Wales	Dormant	100%	
RSK Netherlands (Eerland Milieutechniek Nederland) BV	Netherlands	Site investigation	51%	*
RSK New Zealand Limited	New Zealand	Environmental consultancy	68%	*
RSK Orbital Limited	England & Wales	Surveying	100%	*
RSK Polska Sp. z o.o	Poland	Environmental services	100%	*
RSK Project Services Limited	England & Wales	Project management	100%	*
RSK Radiological Limited	England & Wales	Environmental Consulting	100%	*
RSK Raw Limited	England & Wales	Specialist services	100%	*
RSK Remediation and Development Limited	England & Wales	Dormant	100%	

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

RSK Renewables Limited	England & Wales	Dormant	100%	
RSK STATS Environment Health & Safety Limited	England & Wales	Non-trading	100%	*
RSK STATS Geoconsult Limited	England & Wales	Non-trading company	100%	*
RSK STATS Limited	England & Wales	Dormant	100%	*
RSKW Ltd	England & Wales	Environmental consultancy	100%	*
Salix River and Wetland Services Limited	England & Wales	Construction services	100%	*
SES Strategic Limited	England & Wales	Landscape design	100%	*
Silcock Leedham Consulting Engineers Limited	England & Wales	Engineering consultancy	100%	*
Silcock Leedham Group Limited	England & Wales	Engineering consultancy	100%	*
Singleton Clamp & Partners Limited	England & Wales	Engineering consultancy	100%	*
SJA Construction Services Limited	New Zealand	Construction consultancy	100%	*
SJA Construction Services Pty Limited	Australia	Construction consultancy	100%	*
SkyVision International Limited	England & Wales	Architectural services	100%	*
SLCE Project Management Services LLC	UAE	Project management	100%	*
Smith & Kennedy Architects Limited	England & Wales	Architectural services	100%	*
Solution BV	Netherlands	Soli research and remediation	51%	*
Sonic Drilling & Piling Planthire Limited	England & Wales	Plant hire	100%	*
Southern Ecological Solutions Limited	England & Wales	Environmental consultancy	100%	*
Spencer ECA Group Limited	England & Wales	Holding company	100%	*
Spencer Environmental Care Associates Limited	England & Wales	Environmental services	100%	*
Stephenson Halliday Limited	England & Wales	Environmental consultancy	100%	*
Streetwise UK Management Limited	England & Wales	Traffic management services	100%	*
Structural Soils Limited	England & Wales	Ground Investigations & Geotechnical Consultancy	100%	*
ATV Contract Services (previously Talisman) Limited	England & Wales	Plant hire	100%	*
TBF Contracting Limited	England & Wales	Arboriculture services	100%	*
TBF Scaffolding Limited	England & Wales	Scaffolding services	100%	*
TBF Traffic Limited	England & Wales	Traffic management	100%	*
Technik Ground Solutions Limited	England & Wales	Geotechnical specialists	100%	*

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

Terraffix Soil Solutions Limited	England & Wales	Social research	100%	*
Thus Consultants Limited	England & Wales	Engineering consultancy	100%	*
The Scan Station Limited	England & Wales	Specialist services	60%	*
Travis Baker (Holdings) Ltd	England & Wales	Holding company	100%	*
Travis Baker East Midlands Limited	England & Wales	Engineering consultancy	100%	*
Travis Baker Geo-Environmental Limited	England & Wales	Engineering consultancy	100%	*
Travis Baker Limited	England & Wales	Engineering consultancy	100%	*
Treefellers Limited	England & Wales	Arboricultural services	100%	*
Twig Trading Limited	England & Wales	Habitat management	100%	*
Up And Under (Specialist Contracts) Ltd	England & Wales	Construction services	100%	*
Up And Under Group Limited	England & Wales	Site investigation services	100%	*
Up And Under Limited	England & Wales	Engineering consultancy	100%	*
W.G.M (Engineering) Limited	England & Wales	Engineering services	100%	*
Waldrams Limited	England & Wales	Chartered surveyors	100%	*
Water Research Centre Limited	England & Wales	Technical research	100%	*
Watertrain Acquisitions Limited	England & Wales	Holding company	100%	*
Watertrain Limited	England & Wales	Technical training	100%	*
Windtechs Ltd	England & Wales	Wind turbine maintenance	100%	*
Wyse Group Limited	England & Wales	Holding company	100%	*
WysePower B.V	Netherlands	Temporary site services	100%	*
Wysepower Limited	England & Wales	Temporary site services	100%	*
Zero Energy Design Limited	England & Wales	Engineering services	100%	*

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for the Period from 4 April 2022 to 2 April 2023

RSK Business Solutions Holdings Limited	England & Wales	IT services	20%	
RSK Business Solutions Limited	England & Wales	IT services	20%	*
RSK Business Solutions Property Limited	England & Wales	Real estate	20%	*
RSK Business Solutions Private Limited	India	IT services	20%	*
Veridata Ltd	England & Wales	Environmental consultancy	33%	*
Frog Environmental Limited	England & Wales	Environmental Consultancy	50%	*
GBV JV Limited	England & Wales	Engineering and construction services	50%	*
P2 Infrastructure Pty Ltd	Australia	Infrastructure Solutions Provider	50%	*

* shares held by a subsidiary

All companies have the same registered office as the Group, being Spring Lodge, 172 Chester Road, Helsby, Cheshire WA6 0AR, with the exception of overseas companies and companies incorporated in Scotland.

RSK Environment Limited, Azerbaijan Environment and Technology Centre Limited, Headland Group Limited, Headland Archaeology Limited, SkyVision International Limited, W.G.M (Engineering) Limited, Absolute Solar and Wind Limited and CBEC Eco Engineering Limited are all registered in Scotland, with an address of 65 Sussex Street, Glasgow, Scotland, G41 1DX. Ares Management holds a share pledge over the shares of these entities which are registered as an ownership interest under Scottish Law, however RSK Group retains beneficial ownership of these shares with 100% voting rights and operational control.

Watertrain Acquisitions Limited and Watertrain Limited are registered at Suite A4, Chadwick House, Birchwood Park, Warrington, United Kingdom WA3 6AE. The Scan Station Limited is registered at 2 Old Bath Road, Newbury, Berkshire, England, RG14 1QL.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

The following subsidiary undertakings have been excluded from the consolidation under Section 405 of the Companies Act as they are considered to be immaterial or the companies did not trade in the financial year or have not been consolidated and operations are in the process of being wound up.

RSK Remediation and Development Limited	100	-	-
RSK Environmental LLC (incorporated in Georgia)	100	-	-
Amberco BvBa (Belgium)	99.67	-	-
RSK Environment Sh.P.K (incorporated in Albania)	100	-	-
RSK Group Trustees Limited	100	-	-
RSK Environment (Kenya) Ltd (incorporated in Kenya)	100	-	-
RSK Dominican Republic S R L. (incorporated in Dominican Republic)	100	-	-

Company

	£ 000
Fair value	
At 4 April 2022	300,700
Additions	-
Fair value adjustments	9,785
Disposals	(22)

At 2 April 2023	310,463

Investments in subsidiaries are held at fair value, based on the directors' assessment. Methodology for determining fair value is described more fully in accounting policies on pages 29 and 30.

The cost of investments at 2 April 2023 was £47,145,000 (2022: £47,167,000).

Management have performed sensitivity analysis to ascertain the impact of movement in multiples used in the valuation model. Details are as follows.

Multiple increased by 10%	£81,741,000
Multiple decreased by 10%	(£81,741,000)

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

16 Business combinations

Companies acquired during the year are presented in the below table. In the case of all acquisitions, the price to be paid includes an initial cash payment, together with earn-out consideration and professional fees. Goodwill, where applicable, is amortised over 10 years.

Corporate acquisitions

ADEV Environnement SAS	25 April 2022
Fellows Construction Consultants Ltd	27 April 2022
Windtechs Ltd	29 April 2022
Watertrain Acquisitions Limited and its subsidiary Watertrain Limited	04 May 2022
Prizebreak Limited and its subsidiary Dermot Casey Hire & Sales Limited	23 May 2022
Dermot Casey Tree Care Limited	23 May 2022
Project Milner Limited	27 May 2022
SJA Construction Services Pty Limited and its subsidiary SJA Construction Services Limited	27 May 2022
MSS Group Limited and its subsidiaries Acorn Chemical Services Limited, MSS Consulting Limited, MSS Environmental Limited, and MSS Facilities Services Ltd	10 June 2022
FR Consultants Limited	13 June 2022
MG Scaffolding (Oxford) Limited	01 July 2022
Soilution BV	20 July 2022
Proeon Holdings Limited and its subsidiary Proeon Systems Limited	21 July 2022
Projence Pty Ltd	22 July 2022
Spencer ECA Group Limited and its subsidiaries Spencer Environmental Care Associates Limited and Quantum Geotechnic Limited	03 August 2022
Copper Consultancy Limited	04 August 2022
Milestone Communications Limited	04 August 2022
Midrock Construction Limited and its subsidiary Hollywood Civil Engineering Limited	26 September 2022
Terraflux Soil Solutions Limited	30 September 2022
W.G.M (Engineering) Limited	01 October 2022
Travis Baker (Holdings) Ltd and its subsidiaries Travis Baker Geo-Environmental Limited, Travis Baker East Midlands Limited, and Travis Baker Limited.	06 October 2022
Brown & May Marine Holdings Limited and its subsidiary Brown & May Marine Limited	14 October 2022
Economic Research Services Limited	31 October 2022

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for the Period from 4 April 2022 to 2 April 2023

Wyse Group Limited and its subsidiaries WysePower Limited and WysePower B.V	16 November 2022
Treefellers Limited	13 December 2022
Irish Drilling Limited	22 December 2022
Pensar Construction Group Pty Limited and its subsidiaries Pensar Utilities Pty Limited, Pensar Water Pty Ltd, Pensar Building Pty Ltd, Pensar Structures Pty Ltd, Pensar Project Infrastructure Pty Ltd, Gold Coast Water Collective Pty Ltd, and P2 Infrastructure Pty Ltd	23 December 2022
BMG Research Holdings Limited and its subsidiary BMG Research Ltd	24 January 2023
Hydrofix Limited	02 February 2023
Richard Irvin FM Limited	17 February 2023
Southern Ecological Solutions Limited and its subsidiary SES Strategic Limited	01 March 2023
4AP-Geoteknik A/S	01 March 2023
Hawkins Electrical Holdings Limited and its subsidiary Hawkins Electrical Limited	09 March 2023
CX Group Holdings Limited and its subsidiaries Certus Utility Consulting Limited, CX Utilities Limited, and CX Energy Ltd	31 March 2023
Calibrate Group Limited and its subsidiaries Calibrate Inc Ltd, Calibrate Maintenance Ltd, Calibrate Leasing Limited, and Gridflex Ltd	01 April 2023

Trade and asset acquisitions

Pickford and Rhyder Consulting	28 th November 2022
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		£000
Corporate acquisitions	100%	290,864
Corporate acquisitions	85%	14,179
Corporate acquisitions	50%	195
		305,238
Trade and asset purchases		27
Total consideration transferred		305,265

Contingent consideration is payable according to earn-out parameters, which vary across acquisitions, but are largely based on achievement of specified EBITDA metrics. Contingent consideration is recognised for earn-outs relating to the current and subsequent financial year, as contingent consideration cannot be reliably estimated beyond this period.

Due to both the large number of acquisitions throughout the year and the commercial sensitivity surrounding the data, the directors have aggregated the required disclosures in respect of acquisitions made during the year. Individually material acquisitions are disclosed separately, and acquisitions are also shown by division.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

Acquisitions that are material in size are disclosed below

	Pensar £000	Wyse Group £000	FR Consultants £000	MSS Group £000
Cash	38,908	27,790	18,558	27,342
Loans settled on acquisition	-	5,675	3,717	(187)
Contingent consideration arrangement	981	2,778	7,836	-
Cash and other consideration	39,889	36,243	30,111	27,155
Acquisition costs	382	385	319	368
Total consideration	40,271	36,628	30,430	27,523
Intangible assets excluding goodwill	4	-	38	15
Property, plant and equipment	3,706	3,624	246	438
Cash and cash equivalents	9,633	(301)	1,262	8,814
Trade and other receivables	15,784	15,319	6,114	7,364
Stock	-	747	2	46
Trade and other liabilities	(24,283)	(4,009)	(2,218)	(3,829)
	4,844	15,380	5,444	12,848
Consideration	40,271	36,628	30,430	27,523
Fair value of identifiable net assets acquired	(4,844)	(15,380)	(5,444)	(12,848)
	35,427	21,248	24,986	14,675

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

	W.G.M. £000	Southern Ecological Solutions £000	Spencer Group £000	Copper £000
Cash	17,688	10,000	14,353	11,151
Loans settled on acquisition	-	7,005	1,000	-
Contingent consideration arrangement	777	88	738	3,028
Cash and other consideration	18,465	17,093	16,091	14,179
Acquisition costs	430	199	280	251
Total consideration	18,895	17,292	16,371	14,430
Intangible assets excluding goodwill	-	-	-	22
Property, plant and equipment	3,788	100	5,371	60
Cash and cash equivalents	1,371	783	943	1,116
Trade and other receivables	9,920	7,614	4,522	2,564
Stock	139	26	640	-
Trade and other liabilities	(6,698)	(271)	(3,433)	(3,036)
	8,520	8,252	8,043	726
Consideration	18,895	17,292	16,371	14,430
Fair value of identifiable net assets acquired	(8,520)	(8,252)	(8,043)	(726)
	10,375	9,040	8,328	13,704

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

	MG Scaffolding £000	Milestone £000	Hawkins £000	Proeon £000
Cash	11,823	6,865	7,991	8,119
Loans settled on acquisition	-	744	-	-
Contingent consideration arrangement	47	533	104	-
Cash and other consideration	11,870	8,142	8,095	8,119
Acquisition costs	224	180	212	113
Total consideration	12,094	8,322	8,307	8,232
Intangible assets excluding goodwill	-	-	-	-
Property, plant and equipment	999	866	513	138
Cash and cash equivalents	857	805	353	476
Trade and other receivables	3,834	2,739	3,977	2,993
Stock	44	147	890	-
Trade and other liabilities	(1,043)	(1,393)	(1,515)	(588)
	4,691	3,164	4,218	3,019
Consideration	12,094	8,322	8,307	8,232
Fair value of identifiable net assets acquired	(4,691)	(3,164)	(4,218)	(3,019)
	7,403	5,158	4,089	5,213

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

16 Business combinations (continued)

Acquisitions not disclosed separately were individually immaterial, but have been analysed by division below

	Arboricultural Services £000	Construction Consultancy £000	Electrical Service Provider £000	Engineering Consultancy £000	Environmental Training & Consultancy £000
Cash	8,285	5,477	6,013	8,402	5,789
Loans settled on acquisition	-	-	(500)	(3)	(468)
Contingent consideration arrangement	885	2,454	725	447	372
Cash and other consideration	9,170	7,931	6,238	8,847	5,693
Acquisition costs	371	249	382	271	272
Total consideration	9,541	8,180	6,620	9,118	5,965
Intangible assets excluding goodwill	-	-	112	-	29
Property, plant and equipment	2,561	211	73	167	576
Cash and cash equivalents	2,254	1,258	385	1,381	978
Trade and other receivables	1,315	2,266	6,136	4,340	1,761
Stock	266	-	-	-	152
Trade and other liabilities	(2,008)	(2,306)	(4,712)	(1,495)	(2,394)
	4,388	1,429	1,994	4,393	1,102
Consideration	9,541	8,180	6,620	9,118	5,965
Fair value of identifiable net assets acquired	(4,388)	(1,429)	(1,994)	(4,393)	(1,102)
	5,153	6,751	4,626	4,725	4,863

Acquisitions not disclosed separately were individually immaterial, but have been analysed by division below

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

	Geotechnical Services £000	Marine Consultancy £000	Project Management £000	Research £000	Utilities Services £000
Cash	7,926	7,399	2,021	7,321	4,800
Loans settled on acquisition	-	-	-	79	-
Contingent consideration arrangement	254	437	217	1,179	275
Cash and other consideration	8,180	7,836	2,238	8,579	5,075
Acquisition costs	252	81	80	184	378
Total consideration	8,432	7,917	2,318	8,763	5,453
Intangible assets excluding goodwill	-	-	1	-	-
Property, plant and equipment	1,969	252	40	231	141
Cash and cash equivalents	1,468	1,967	180	488	491
Trade and other receivables	1,656	1,260	298	26,047	1,271
Stock	216	-	-	-	-
Trade and other liabilities	(1,307)	(942)	(428)	(23,972)	(1,052)
	4,002	2,537	91	2,794	851
Consideration	8,432	7,917	2,318	8,763	5,453
Fair value of identifiable net assets acquired	(4,002)	(2,537)	(91)	(2,794)	(851)
	4,430	5,380	2,227	5,969	4,602

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

16 Business combinations (continued)

Total acquisitions for the period are disclosed below:

	Corporate Acquisitions £000	Trade and asset purchases £000
Cash	264,020	27
Loans settled on acquisition	17,062	-
Contingent consideration arrangement	24,156	-
Cash and other consideration	305,238	27
Acquisition costs	5,865	-
Total consideration	311,103	27
Intangible assets excluding goodwill	220	-
<i>Property, plant and equipment</i>	26,069	27
Cash and cash equivalents	36,960	-
Trade and other receivables	129,095	-
Stock	3,316	-
Trade and other liabilities	(92,930)	-
	102,730	27
Consideration	311,103	27
Fair value of identifiable net assets acquired	(102,730)	(27)
	208,373	-

Impact of acquisitions on the results of the Group

Post-acquisition revenue and post-acquisition profit after tax for corporate acquisitions were £173 224 000 and £18 780,000 respectively. The post-acquisition period is from the date of acquisition to 2 April 2023.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

17 Stocks

Group	£ 000	£ 000
Consumables	9,709	5 685

18 Debtors

	Note	£ 000	£ 000	£ 000	£ 000
Trade debtors		212,750	139,754	56	8
Amounts owed by related parties		-	-	26,886	29,882
Other debtors		26,219	20 161	2,704	4 119
Prepayments		32,498	17,039	7,774	7 055
Accrued income		148,832	92 121	-	95
Corporation tax asset		13,923	8,936	636	566
Group relief receivable		-	-	13,802	13,144
		434,222	278,011	51,858	54,869
Deferred tax asset	22	16,547	14,081	-	-
Amounts owed by related parties		-	-	688,232	396 803
		16,547	14 081	688,232	396 803
Total Debtors		450,769	292,092	740,090	451,672

19 Cash and cash equivalents

	£ 000	£ 000	£ 000	£ 000
Cash at bank	103,663	110 698	3,410	2,874
Bank overdrafts	(15,037)	(2,089)	-	-
Cash and cash equivalents in statement of cash flows	88,626	108 609	3,410	2,874

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

20 Creditors

	Note	£ 000	£ 000	£ 000	£ 000
Loans and borrowings	26	57,546	39,957	32,089	29,407
Trade creditors		107,565	75,589	5,663	5,816
Amounts due to related parties		-	-	7,043	28,058
Social security and other taxes		35,569	24,954	628	17
Other creditors		65,192	43,676	19,298	9,664
Deferred consideration		33,082	33,746	-	-
Accruals and deferred income		142,935	91,623	9,811	4,108
Corporation tax liability		5,986	2,933	-	-
		447,875	312,478	74,532	77,070
<hr/>					
Loans and borrowings	26	769,428	467,172	748,561	454,058
Other creditors		72	1,030	-	-
Deferred consideration		26,545	22,905	-	-
		796,045	491,107	748,561	454,058

21 Provisions

Group

	£ 000	£ 000	£ 000
At 4 April 2022	2,628	539	3,167
Charge to profit and loss account	-	(2)	(2)
Acquisitions	-	130	130
Reallocated	-	(150)	(150)
Deferred tax movement (see note 22)	3,044	-	3,044
At 2 April 2023	5,672	517	6,189

The other provisions carried forward position relates to a dilapidations provision in a subsidiary company.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

22 Deferred tax

Group

	£ 000
At 4 April 2022	11,453
Deferred tax on acquisitions	(2,481)
Origination and reversal of timings differences	1,657
Impact of change in tax rate	(31)
Adjustments in respect of prior periods	1,757
Overseas movements	(1,480)
At 2 April 2023	10,875

The Group has recognised a deferred tax asset in relation to unrelieved tax losses of approximately £13.5m (2022 £13.3m) carried forward at 2 April 2023. These unrelieved tax losses are available for utilisation against future trading profits. The Group also has an unrecognised deferred tax asset of £61m in the period which is materially made up of unrelieved tax losses across the Group.

	2023	2022
Deferred tax asset	16,547	14,081
Deferred tax liability	(5,672)	(2,628)
Net deferred tax asset	10,875	11,453

23 Pension and other schemes

The Group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to £16,331,000 (2022 - £10,980,000).

	£000	£000
Structural Soils Retirement Benefit Scheme No. 2	-	-
RSK Alenco GmbH Retirement Benefit Scheme	267	248
	267	248

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

Structural Soils Retirement Benefits Scheme No. 2

The company operates a defined benefit scheme. The assets of the scheme are held separately from those of the company, being invested with insurance companies. The scheme is closed to new members as of 1 April 2002. The members' pension benefits under the scheme were made paid up with effect from 5 April 2003. No further benefits are accruing under the scheme. A comprehensive actuarial valuation of the Company pension scheme, using the projected unit credit method, was carried out on 5 April 2021, and showed a deficiency on a current funding level basis of £151,000 (5 April 2018: £445,000). From April 2019, the company has been required to pay minimum contributions of £50,000 per annum increasing by 3% per annum.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised.

The amounts recognised in the statement of financial position are as follows:

	£ 000	£ 000
Fair value of scheme assets	2,329	2,597
Present value of defined benefit obligation	(1,729)	(2,559)
	600	38
Changes in asset ceiling	(600)	(38)
Defined benefit pension scheme deficit	-	-

Changes in the defined benefit obligation are as follows:

	£ 000	£ 000
Present value at start of period	2,559	2,614
Interest cost	70	59
Loss on curtailments/changes/introductions	-	151
Actuarial (gains)/losses	(782)	(249)
Benefits paid	(118)	(16)
Present value at end of period	1,729	2,559

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

Changes in the fair value of scheme assets are as follows

	£ 000	£ 000
Fair value at start of period	2,597	2,558
Interest income	72	57
Expenses	(2)	(2)
Actuarial (losses)/gains	(289)	(48)
Employer contributions	69	48
Benefits paid	(118)	(16)
Fair value at end of period	2,329	2,597

The fair value of the plan assets was

	£ 000	£ 000
Cash and cash equivalents	228	123
Equity instruments	598	654
Other assets	1,503	1,820
	2,329	2,597

None of the fair values of the assets shown above include any direct investments in the company's own financial instruments or any property occupied by, or other assets used by, the company

	£ 000	£ 000
Loss on curtailments/changes/introductions	-	151
Expenses	2	2
Net interest cost	(2)	2
Interest expense on effect of asset ceiling	1	-
	1	155

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

	£ 000	£ 000
Return on scheme assets	289	48
Experience gains/losses arising on the scheme	132	86
Effect of changes in demographic and financial assumptions	(914)	(337)
Changes in asset ceiling	561	38
	68	(165)

The principal actuarial assumptions at the statement of financial position date are as follows:

	%	%
Discount rate	4.80	2.80
Future pension increases	3.10	3.60
Inflation	3.40	3.90

	Years	Years
Current UK pensioners at retirement age - male	21	22
Current UK pensioners at retirement age - female	22	24
Future UK pensioners at retirement age - male	22	22
Future UK pensioners at retirement age - female	24	24

RSK Alenco GmbH Retirement Benefit Scheme

The provisions for pensions and similar obligations are calculated using recognized actuarial principles based on biometric probabilities (Heubeck 2018 G mortality tables) using the projected unit credit method. When determining the provisions, annual pension increases of 1.5% were assumed. When determining the discount rate for matching maturities, an average remaining term of 15 years is assumed in the application of the option under Section 253 (2) sentence 2 HGB for discounting. The actuarial interest rate used as of the balance sheet date is based on the average market interest rate for the past ten years determined by the Deutsche Bundesbank in accordance with section 253 (2) sentence 1 HGB and is 1.79 % (previous year 1.81%).

As of March 31, 2022, discounting the provisions for pensions using the average market interest rate for the past ten years resulted in a reduction in the provisions for pensions of EUR 10k (difference) compared to discounting using the average market interest rate for the past seven years. According to § 253 Section 6 Sentence 2 HGB, this is barred from distribution. Utilizing the right to choose according to Art. 67 Para. 1 Sentence 1 EGHGB, the change resulting from the change in the accounting of provisions according to Sections 249 Para. 1 Sentence 1, 253 Para. 1 Sentence 2, Para. 2 HGB through the Accounting Law Modernization Act (BilMoG). Allocation spread over the maximum period of 15 years

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

The provisions not shown in the balance sheet for current pensions and similar obligations within the meaning of Art. 67 Para. 2 EGHGB from the conversion to the BilMoG that took place in 2010 amounted to EUR 1 thousand in the financial year.

In application of the transitional option according to Art. 67 Para. 1 Clause 1 EGHGB, the original difference is to be distributed over a period of 15 years.

Provisions for retirement benefit obligations as at 2 April 2023 are measured using the following bases:

Pension Trend	1.50%	1.50%
Interest rate	1.79%	1.81%

24 Share capital

	No. 000	£ 000	No. 000	£ 000
A Ordinary Shares of £1 each	919	919	919	919
B Ordinary Shares of £1 each	-	-	-	-
C Ordinary Shares of £1 each	1	1	1	1
Growth Shares of £0.05 each	19,857	993	14,935	747
	20,777	1,913	15,855	1,667

	£ 000
Share capital as at 4 April 2022	1,667
Shares issued during the year	246
Share capital as at 2 April 2023	1,913

Ordinary shares have the following rights, preferences and restrictions
Voting rights.

Growth shares have the following rights, preferences and restrictions:
No voting rights.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

25 Employee Benefit Trust

Included in Other Reserves is the Employee Benefit Trust (EBT). The EBT remains in place to act as a vehicle for the buying and selling of shares to employees. The vehicle is used predominantly for growth shares.

The EBT purchases shares to buy and sell to RSK Group employees. As at 2 April 2023, the EBT held 3,542,878 (2022 2,808,926) shares in RSK Group Limited with a book value of £1,976,447 (2022 £1,198,379). The EBT also held 3,177 (2022 3,177) shares in RSK Land & Development Engineering Limited with a book value of £3,177 (2022 £3,177).

During the year the EBT purchased 733,952 growth shares of the Company at a cost of £788,561 representing 4% of issued share capital.

During the year the EBT did not purchase or sell any ordinary 'A' shares of the Company. During the year, the EBT received dividends in respect of the 'A' shares it holds of £9,120 (2022 £4,560). The EBT received dividends from RSK Land & Development Engineering Limited of £31,897 (2022 £10,548).

26 Loans and borrowings

	£ 000	£ 000	£ 000	£ 000
External debt funding	747,058	452,634	746,843	452,137
Bank overdrafts	1,189	1,810	-	-
Finance lease liabilities and HP	21,181	12,728	1,718	1,921
	769,428	467,172	748,561	454,058
External debt funding	31,929	28,811	30,850	28,000
Bank overdrafts	13,848	279	-	-
Finance lease liabilities and HP	11,769	10,867	1,239	1,407
	57,546	39,957	32,089	29,407

The Group agreed a new seven-year financing agreement with Ares Management in July 2021. These funds comprise a £750,000,000 committed acquisition facility and a further £250,000,000 incremental acquisitions facility. In May 2023 the remaining £250,000,000 was committed. The agreement matures in 2028 with a bullet repayment due on the date of maturity. The agreed interest rate SONIA/EURIBOR plus 5%, plus an additional variable charge for payment in kind (2023 2.5%). The financing agreement includes three Sustainability Performance Targets, if the targets are met the Group is entitled to a Cash Pay Margin adjustment. In FY23 we met all three Sustainability Performance Targets achieving a margin reduction of 0.125%. The financing agreement is secured by a charge over the shares of the majority of RSK Group companies. A net leverage covenant of 7.75x or below must be maintained for the first two years, which will drop to 7.65x for years 3-4 and will drop further thereafter.

The Group agreed an Incremental Facility of 75,000,000 Australian Dollars in December 2022. A further Incremental Facility of 41,000,000 Australian Dollars was agreed in August 2023. These were arranged under the Ares Management financing agreement referred to above and using the same general terms but using the Australian Bank Bill Swap Reference Rate (Bid) as the basis for interest.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

The Group has a £40,000,000 Revolving Credit Facility with NatWest bank which was increased to £50,000,000 in May 2023. Interest is payable quarterly at variable margin (2023: 3.25%) plus SONIA on the draw down amount. All other terms are in line with the Ares financing agreement.

27 Obligations under leases

The total of future minimum lease payments is as follows.

	£ 000	£ 000	£ 000	£ 000
Not later than one year	7,300	6,801	1,801	1,496
Later than one year and not later than five years	19,428	18,223	6,371	4,798
Later than five years	15,284	11,071	7,948	5,026
	42,012	36,095	16,120	11,320

The amount of non-cancellable operating lease payments recognised as an expense during the period was £6,168,000 (2022: £6,044,000) for the Group and £1,495,729 (2022: £2,562,000) for the Company.

28 Dividends

	£ 000	£ 000
Interim dividend of £1 (2022: £1) per each A ordinary share	919	919
Final dividend of £1 (2022: £1) per each A ordinary share	919	919
Total dividend declared in the year	1,838	1,838

29 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 2 April 2023 is £765,284,000 (2022: £467,336,000).

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.

Acquisitions are paid for in cash on completion plus, in some cases, loans settled, deferred consideration and an earnout which is unique in each situation. Deferred consideration has been fully provided as a liability as is earnout to the extent that it is probable and can be measured reliably.

There remains a contingent liability of £24.8m (2022: £18.1m) which would be payable in future years were the current level of profit to be maintained.

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

30 Analysis of changes in net debt

	£000	£000	£000	£000	£000	£000
Long-term borrowings	(452,634)	(276,807)	(20)	-	(17,597)	(747,058)
Short-term borrowings	(28,811)	(784)	(2,334)	-	-	(31,929)
Lease liabilities	(23,595)	6,961	(3,320)	(12,996)	-	(32,950)
Total liabilities	(505,040)	(270,630)	(5,674)	(12,996)	(17,597)	(811,937)
Cash and cash equivalents	108,609	(19,983)	-	-	-	88,626
Total net debt	(396,431)	(290,613)	(5,674)	(12,996)	(17,597)	(723,311)

31 Related party transactions

Group

	£ 000	£ 000	£ 000
Unsecured loans from directors	(931)	(47)	(978)

At the year-end, other creditors included unsecured loans from directors of the company with an interest charge of 10% (2022: 10%) per annum payable on the loans, half of which is paid and half of which is rolled-up.

Alan Ryder Investments Limited

Property

Alan Ryder Investments Limited leases properties to the Group. During the year, the company charged the Group £418,000 (2022 (restated)* £300,000) in respect of rent and services. The amount due to Alan Ryder Investments Limited in respect of these charges at the period end was £12,000 (2022: £nil).

*Prior year has been restated from £214,000 to £300,000 as the prior year figure was incorrect.

Alan Ryder Investments Directors Plan Limited

Property

Alan Ryder Investments Directors Plan Limited leases properties to the Group. During the year, the company charged the Group £91,000 (2022: £29,000).

The amount due to Alan Ryder Investments Directors Plan Limited in respect of these charges at the period end was £50,000 (2022: £nil).

Notes to the Financial Statements

for the Period from 4 April 2022 to 2 April 2023

Wigan Property LLP

Rental payments of £48,000 were made to Wigan Property LLP during the year, an LLP upon which Alan Ryder was a member until February 2023.

The amount due to Wigan Property LLP in respect of these charges at the period end was £4,000. In the prior year Wigan LLP was not a related party and therefore no prior year comparatives are presented.

Crichton Carbon Centre

Charitable contributions of £17,000 (2022: £11,000) were made to Crichton Carbon Centre during the year, a charity that M A E Smyth is a Trustee of.

The amount due to Crichton Carbon Centre in respect of these charges at the period end was £2,000 (2022: £nil).

The following are transactions with non-wholly owned subsidiaries:

	Subsidiary £ 000	Subsidiary £ 000
Receipt of services	1,125	846
Amounts receivable from related party	1,616	3,195

	Subsidiary £ 000	Subsidiary £ 000
Rendering of services	77	940
Amounts payable to related party	537	4,213

All other related party transactions and balances are with companies within the RSK Group. Related party transactions of RSK Group Limited's subsidiary undertakings are disclosed in their respective financial statements.

32 Non adjusting events after the financial period

The Group acquired the following businesses after the financial period end

ARA Architecture Limited	England & Wales	02.05.2023	Architectural Services
HPD Designing Consultants Private Limited	India	16.05.2023	Engineering Services
1 st Inrail Limited	England & Wales	24.05.2023	Construction of Railways and underground Railways
Axis Well Technology Group Limited and its subsidiaries Axis Well Technology International Limited Axis Well Technology Limited Axis Well Technology Management Limited and Axis Well technology Middle East LLC	England & Wales Scotland / United Arab Emirates	02.06.2023	Energy Industry
The Woodhouse Partnership Limited and its subsidiaries TWPL Consulting Services LTDA, The Woodhouse Partnership North America Ltd. Decision Support tools Limited Asset Wisdom Limited (minority investment) and Briq Solutions LTDA (minority investment)	England & Wales / USA /Brazil	02.06.2023	Management consultancy activities and architectural activities
We are BrandNew Ltd	England & Wales	02.06.2023	Advertising Agencies
W. Crowder & Sons Limited	England & Wales	09.06.2023	Wholesale of flowers and plants
Kirton Water Treatment Services Limited	England & Wales	06.07.2023	Other Manufacturing
Bateman Skips Limited and its subsidiary Affordable Skip Hire Bristol Limited	England & Wales	11.07.2023	Collection of non-hazardous waste
Project Ires Topco Limited and its subsidiaries Project Ires Bidco Limited PD&MS Holdings Limited, PD&MS Energy (Aberdeen) Limited, PD&MS (Dundee) Limited, Optimus Plus (Aberdeen) Limited, PD&MS Energy (Azerbaijan) LLC and Synergie Environ Limited	England & Wales / Scotland / Azerbaijan	14.07.2023	Environmental and engineering services
Kiely McCarthy Consulting Engineers Limited and its subsidiaries Knockridge Investments Limited and Jennings O'Donovan Limited	Ireland	01.08.2023	Investment company/ Consulting engineering firm
R.J.T Excavations Limited	Scotland	17.08.2023	Site Preparation
Larsen Water Management Ltd and sister company Larsen Water Management Ire Ltd	England & Wales / Ireland	25.08.2023	Technical Testing and Analysis
Global Rail Construction Limited and sister company Global Rail Services Limited and its subsidiary GRSL Limited (Ireland)	England & Wales / Ireland	07.09.2023 Irish companies 18.10.2023	Construction and engineering services
Triune Investments Pty Ltd and its subsidiary Atlantic (Aust) Pty Ltd	Australia	08.09.2023	Energy Services
Virtus Energy Limited	England & Wales	08.09.2023	Manufacture of electricity distribution and control apparatus
ABM Serveis d'Enginyeria I Consulting S.L	Spain	02.10.2023	Water sector engineering and consultancy
Aurora Health Physics Services Limited	England & Wales	06.10.2023	Other professional, scientific and technical activities

Sustainable Aquafarms Limited	England & Wales	31.10.2023	Marine Aquaculture
Homer Burgess Limited	England & Wales	31.10.2023	Manufacture of fabricated metal products
Extent Heritage PTY Limited	Australia	03.11.2023	Heritage assessment and management activities
DWD Property and Planning Limited and its subsidiary Dalton Warner Davis LLP	England & Wales	08.11.2023	Environmental consulting activities
Brown & May Marine France SAS	France	23.01.2024	Marine environmental consultancy

Business & assets of Dalton Warner Davis LLP	England & Wales	08.11.2023	Property and valuation advisers, business rates experts and planning consultants
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The Group established the following companies after the financial period end

SJA Construction Services PTE Ltd	Singapore	11.08.2023	Construction consultancy
DWD Property and Planning Limited	England & Wales	29.09.2023	Property and valuation advisers, business rates experts and planning consultants
RSK Soluciones Ambientales, S L	Spain	02.10.2023	Water sector engineering and consultancy
RSK India Engineering Centre Private Limited	India	23.10.2023	Engineering production centre
Brown & May Marine Spain S.L.	Spain	27.12.2023	Marine environmental consultancy

The Group has filed to strike off the following dormant companies since 3 April 2023

Geotechnical & Structural Services (Holdings) Limited
Geotechnical And Structural Services Limited
R. W. Management (Holdings) Ltd
PS Rail Limited

An interim dividend of £1,000,000 was declared in October 2023.

As part of a programme of corporate simplification which aims to remove intermediate holding companies from the RSK Group, the following transactions have taken place after the year end

On 25 October 2023, the entire share capital of Pharos Generator Services Limited and Pharos Field Engineering Services Limited was transferred from Pharos Power Support Group Limited to RSK Environment Limited.

On 25 October 2023, the entire share capital of RSK ADAS Limited was transferred from R.W. Management Holdings Limited to RSK Environment Limited.

On 25 October 2023, 33.4% of the share capital of RSK Orbital Limited was transferred from RSK Investments Limited to RSK Environment Limited, leaving RSK Environment Limited as the sole parent.

On 25 October 2023, Headland Group Limited undertook a capital reduction under which it reduced its share capital to 36,125 ordinary shares of £0.000028 and its share premium reserve of £11,522 was cancelled.

Under Scots law security arrangements associated with the Group's funding, Ares Management Limited was the legal owner of the share capital in Headland Group Limited. Headland Group Limited was released from the security of the funding arrangement on 3 August 2023.

Following this release, on 26 October 2023, the entire share capital of Headland Group Limited was transferred from Ares Management Limited to RSK Environment Limited.

Under Scots law security arrangements associated with the Group's funding, Ares Management Limited was the legal owner of the entire share capital in Headland Archaeology (UK) Limited. For the purposes of the Group simplification, the shares in Headland Archaeology (UK) Limited were released from the security.

Following this release, on 26 October 2023, the entire share capital of Headland Archaeology (UK) Limited was transferred from Ares Management Limited to Headland Group Limited.

The entire share capital of Headland Archaeology (UK) Limited was then transferred from Headland Group Limited to RSK Environment Limited on 26 October 2023.

Following that transfer, the entire share capital of Headland Archaeology (UK) Limited was charged back to Ares Management Limited as security and as such, the shares were transferred from RSK Environment Limited back to Ares Management Limited on 26 October 2023.

On 9 November 2023, the entire share capital of C.R. Civil Engineering Limited was transferred from DVCR Group Limited to RSK Environment Limited.

On 9 November 2023, the entire share capital of Brown & May Marine Limited was transferred from Brown & May Marine Holdings Limited to RSK Environment Limited.

On 9 November 2023, the entire share capital of Proeon Systems Limited was transferred from Proeon Holdings Limited to RSK Environment Limited.

On 9 November 2023, the entire share capital of Ian Farmer Associates (1998) Limited was transferred from Geotechnical and Structural Services Limited to RSK Environment Limited.

On 9 November 2023, Pendragon Holdings made a capital contribution of £1 to DVCR Group Limited.

On 9 November 2023, the entire share capital of CRCE Plant Limited was transferred from Pendragon Holdings Limited to RSK Environment Limited.

RSK Environment Limited entered into a deed of novation with TBF Contracting Limited and BTS Group Limited pursuant to which RSK Environment Limited assumed the liability of TBF Contracting Limited to pay BTS Group Limited £233,425 to create reserves in TBF Contracting Limited.

On 9 November 2023, the entire share capital of TBF Traffic Limited and TBF Scaffolding Limited was transferred from TBF Contracting Limited to RSK Environment Limited.

On 20 November 2023, the entire share capital of Watertrain Limited was transferred from Watertrain Acquisitions Limited to RSK Environment Limited.

On 20 November 2023, the entire share capital of Hollywood Civil Engineering Limited was transferred from Midrock Construction Limited to RSK Environment Limited.

On 20 November 2023, the entire share capital of Singleton Clamp and Partners Limited was transferred from Thus Consultants Limited to RSK Environment Limited.