

COMPANY REGISTRATION NUMBER 08426254

ANTHESIS CONSULTING (UK) LIMITED

ANNUAL REPORT

31 DECEMBER 2022



ANTHESIS CONSULTING (UK) LIMITED
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YEAR ENDED 31 DECEMBER 2022

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**ANTHESIS CONSULTING (UK) LIMITED
OFFICERS AND ADVISERS
YEAR ENDED 31 DECEMBER 2022**

Directors

Stuart J McLachlan
Ian M Forrester
Enda Colfer
Jason P Urry (Resigned 31 December 2022)
Charlie Nicholson (Appointed 13 December 2022)

Company Secretary

Hanna R Friedlander

Registered Office

First Floor,
Fitzroy House,
355 Euston Road,
London
NW1 3AL

Auditor

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

**ANTHESIS CONSULTING (UK) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors present their report and financial statements for the year ended 31 December 2022.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company during the year was the provision of consultancy services in the field of sustainability. These services are delivered via a branch in the Middle East which has a team of consultants based in Dubai and Abu Dhabi. The team specialises in environmental monitoring, auditing and planning, as well as hazardous materials assessment and waste management. The business supports clients throughout the UAE region, Saudi Arabia, Tajikistan and Africa.

Established in 2014, the business is managed and controlled at a local level by UK expatriates who report to the Anthesis' head office in London. Until 30 November 2021, accounting records of the Company for the year ended 31 December 2021 were maintained using handwritten and Microsoft Excel documents set up to reflect a series of bookkeeping ledgers to track expenses, revenue, cash, and balance sheet movements on a timely basis, with regular reconciliations with third party records. With effect from 1 December 2021 the accounting records of the Company were transferred to Oracle Netsuite, an ERP software product used by the majority of the Anthesis Group.

The records have been maintained by two experienced bookkeepers who submit monthly management accounts to the Board of the ultimate holding company, and the Directors are not aware of any material misstatements that have occurred over the period. As a result, the Directors are satisfied that the accounting process and procedures are compliant with section 386 of the Companies Act 2006 the requires the Directors to be able to:

- show and explain the Company's transactions;
- disclose with reasonable accuracy, at any time, the financial position of the Company at that time; and
- enable the Directors to ensure that any accounts required to be prepared comply with the requirements of the Companies Act 2006 and FRS 101.

The Auditors, in their report on page 6, have concluded that the historic use of Microsoft Excel documents in earlier periods does not create an adequate audit trail for entries made at that time and that subsequent amendments cannot be clearly identified resulting in the Auditors being unable to obtain sufficient evidence regarding the completeness and integrity of the accounting records. As this was the case up until 1 December 2021, this impacts the opening reserves of the prior year comparative figures in these financial statements. Whilst recognising that this is a small business, the Directors acknowledge the potential inadequacies of not using an established accounting system which has now been rectified by the introduction and use of Oracle NetSuite.

GOING CONCERN

The Company is reliant on the continued financial support of its ultimate parent, Anthesis Topco Limited.

The directors of Anthesis Topco Limited have prepared financial forecasts covering the Group for the period to 31 December 2024, which is more than a year from the date of signing these financial statements, as well as sensitised scenarios and a reverse stress test, including a review of the forecast compliance with the Group's existing and forecast bank covenants. The forecasts are based on commercial factors such as the strong global market for ESG services, the limited multinational capability of competitors, the blue-chip nature of the Group's client base and legislative drivers coupled with the delivery of a good financial performance during 2022 and a strong order book for 2023. Should macroeconomic or geopolitical issues materially impact on the business model in the year ahead there are significant cost savings to be made by taking action to match costs with revenues.

On 1 August 2023 the Group was acquired by Carlyle Private Equity as detailed above and in note 13. As part of the transaction the existing bank debt was fully repaid and expanded facilities were made available to the Group to facilitate further growth.

**ANTHESIS CONSULTING (UK) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

GOING CONCERN (continued)

Based on these forecasts the directors of Anthesis Consulting (UK) Limited have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months after the signing of these financial statements and has therefore provided the Company with a letter of support stating its intention to provide financial and operational support so as to allow it to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

As with any company placing reliance on other Group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe it will not do so. The Directors therefore consider the going concern basis to be appropriate in preparing these financial statements.

RESULTS AND DIVIDEND

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The Company's loss for the year was £8,717 (2021: Loss of £100,757).

The Directors are unable to recommend the payment of a dividend (2021: nil).

DIRECTORS

The Directors that held office during the year can be found on page 2.

DIRECTORS' INDEMNITIES

A qualifying third-party indemnity, as permitted by the Articles of Association and sections 232 and 234 of the Companies Act 2006 has been granted by the Company to each of its Directors.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company and group's performance, business model and strategy and is fair, balanced and understandable.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of our knowledge:

- the group financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

**ANTHESIS CONSULTING (UK) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

AUDITOR

The independent auditors, Grant Thornton UK LLP, offer themselves for re-appointment in accordance with the Companies Act.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Under company law Directors must not approve the financial statements unless they are satisfied that they give a true and fair view. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Directors have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board on 29 November 2023 and signed on its behalf by:



**Ian Forrester
Director**

**ANTHESIS CONSULTING (UK) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANTHESIS CONSULTING (UK) LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclaimer of opinion

We were engaged to audit the financial statements of Anthesis Consulting (UK) Limited (the "company") for the year ended 31 December 2022, which comprise the Statement of comprehensive income and expense, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice.

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion - inability to evidence completeness and integrity of ledger transactions in the Dubai branch

The majority of this entity's transactions arise from the activity of its Dubai branch. Up until 1 December 2021, accounting records for that branch were maintained on an excel spreadsheet, which means that we do not have an audit trail for entries made and that any amendments to ledger entries cannot be identified. The absence of sufficient compensating controls to address these deficiencies means that we have been unable to obtain sufficient appropriate audit evidence in relation to the completeness and integrity of the ledger transactions relating to the Dubai branch of this entity up until 1 December 2021. Our audit opinions on the financial statements for the years ended 31 December 2020 and 31 December 2021 were modified accordingly. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

**ANTHESIS CONSULTING (UK) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANTHESIS CONSULTING (UK) LIMITED (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Conclusions relating to going concern (continued)

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

Opinions on other matters prescribed by the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion, based on the work undertaken in the course of the audit:

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

Matter on which we are required to report under the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the directors' report.

Matters on which we are required to report by exception

Arising from the limitation of our work referred to above:

- we have not received all the information and explanations we require for our audit; and
- we were unable to determine whether adequate accounting records have not been kept.

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

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**ANTHESIS CONSULTING (UK) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANTHESIS CONSULTING (UK) LIMITED (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting frameworks (FRS 101 and the Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the company operates.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by making enquires of management, those charged with governance and legal advisers. We utilised internal and external information to corroborate these enquiries and to perform a fraud risk assessment. We considered the risk of fraud to be higher through the potential for management override of controls and in relation to revenues recognised in relation to unbilled services at the year end.
- Audit procedures performed by the engagement team included:
 - evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
 - challenging assumptions and judgments made by management in its significant accounting estimates, particularly in relation to revenue recognition relating to unbilled revenues; and
 - identifying and testing journal entries, in particular, journal entries which we considered were high impact or unusual.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the entity.
- We enquired of management on any non-compliance, notification from the local governing authorities and/or legal notices received during the year.

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

**ANTHESIS CONSULTING (UK) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANTHESIS CONSULTING (UK) LIMITED (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Gamson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
29 November 2023

ANTHESIS CONSULTING (UK) LIMITED
STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Note	£	£
Revenue		1,549,192	1,137,179
Cost of sales		(1,152,451)	(889,479)
GROSS PROFIT		396,741	247,700
Administrative expenses		(374,727)	(271,831)
LOSS BEFORE INTEREST & TAXATION	4	(22,014)	(24,132)
Interest payable		(30,731)	(76,626)
LOSS BEFORE TAXATION		(8,717)	(100,757)
Taxation	5	-	-
LOSS FOR THE YEAR		(8,717)	(100,757)

The notes on pages 13 to 21 form part of these financial statements.

ANTHESIS CONSULTING (UK) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,505	1,328
Investments	7	739,563	739,563
		<u>741,068</u>	<u>740,891</u>
CURRENT ASSETS			
Trade and other receivables	8	1,355,456	1,460,980
Cash and cash equivalents		237,388	81,673
		<u>1,592,844</u>	<u>1,542,653</u>
TOTAL ASSETS		<u>2,333,912</u>	<u>2,283,544</u>
EQUITY			
ISSUED CAPITAL AND RESERVES			
Share capital	9	1	1
Other reserves		27,276	27,276
Retained earnings		(562,358)	(549,647)
TOTAL EQUITY		<u>(535,081)</u>	<u>(522,370)</u>
CURRENT LIABILITIES			
Trade and other payables	10	2,868,993	2,805,914
		<u>2,868,993</u>	<u>2,805,914</u>
TOTAL EQUITY AND LIABILITIES		<u>2,333,912</u>	<u>2,283,544</u>

The Directors have prepared the financial statements in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board and authorised for issue on 29 November 2023 and signed on its behalf by


 Ian Forrester, Director

Company registration number: 08426254

The notes on pages 13 to 21 form part of these financial statements.

ANTHESIS CONSULTING (UK) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 January 2021	1	(448,510)	29,534	(418,975)
Total comprehensive expense for the year	-	(100,757)	-	(100,757)
Foreign exchange	-	(380)	(2,258)	(2,638)
Balance at 31 December 2021	1	(549,647)	27,276	(522,370)
Total comprehensive income for the year	-	(8,717)	-	(46,558)
Foreign exchange	-	(3,994)	-	33,858
Balance at 31 December 2022	1	(562,358)	27,276	(535,081)

The notes on pages 13 to 21 form part of these financial statements.

**ANTHESIS CONSULTING (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 Accounting policies

Basis of preparation

The Company is a private limited company incorporated on 1 March 2013 in England and Wales whose registered address First Floor, Fitzroy House, 355 Euston Road, London NW1 3AL

The financial statements of the Company are presented in Great British Pounds and in accordance with the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) Reduced Disclosure Framework as issued by the Financial Reporting Council incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and July 2016.

In preparing these financial statements, the Company has taken advantage of certain disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- certain disclosures in respect of financial instruments;
- the effect of future accounting standards not yet adopted; and
- disclosure of related party transactions with wholly-owned members of the Group.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of estimates and assumptions including expectations of future events, that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of the amounts, actual results may ultimately differ from those estimates. The Directors have made no individual critical accounting judgements that have a significant impact upon the financial statements apart from those involving estimations.

The most significant estimates made by the Directors in these financial statements are the recognition of revenue, the measurement of amounts recoverable on contracts and allowance for impairment of trade receivables. These estimates relate to the appropriate stage of completion of performance obligations and phases of contracts being achieved and are based on the Directors' and experienced project managers' judgements at the year end. The allowance for expected lifetime credit losses for trade receivables is calculated in line with IFRS 9. This is established by considering the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Further details about trade receivables are included in note 8.

Going concern

The Company is reliant on the continued financial support of its ultimate parent, Anthesis Topco Limited.

The directors of Anthesis Topco Limited have prepared financial forecasts covering the Group for the period to 31 December 2024, which is more than a year from the date of signing these financial statements, as well as sensitised scenarios and a reverse stress test, including a review of the forecast compliance with the Group's existing and forecast bank covenants. The forecasts are based on commercial factors such as the strong global market for ESG services, the limited multinational capability of competitors, the blue-chip nature of the Group's client base and legislative drivers coupled with the delivery of a good financial performance during 2022 and a

**ANTHESIS CONSULTING (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 Accounting policies (continued)

Going concern

strong order book for 2023. Should macroeconomic or geopolitical issues materially impact on the business model in the year ahead there are significant cost savings to be made by taking action to match costs with revenues.

On 1 August 2023 the Group was acquired by Carlyle Private Equity as detailed above and in note 13. As part of the transaction the existing bank debt was fully repaid and expanded facilities were made available to the Group to facilitate further growth.

Based on these forecasts the directors of Anthesis Consulting (UK) Limited have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months after the signing of these financial statements and has therefore provided the Company with a letter of support stating its intention to provide financial and operational support so as to allow it to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

As with any company placing reliance on other Group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe it will not do so. The Directors therefore consider the going concern basis to be appropriate in preparing these financial statements.

Revenue

Revenue is recognised by the Company following the five-step model in IFRS 15, consisting of:

1. Identification of the contract;
2. Identification of the performance obligations in the contract;
3. Determination of the transaction price;
4. Allocation of the transaction price to performance obligations in the contract;
5. Recognition of revenue.

Revenue is measured based on the consideration specified in a contract with a customer and excludes VAT. It includes initial amounts agreed in the contract plus any variations in contract work and variable consideration, to the extent that it is probable that its inclusion will not result in a significant revenue reversal in the future when the uncertainty has been subsequently resolved. The Company recognises revenue when it transfers control over a product or service to a customer. For performance obligations that are transferred over time, revenue is recognised in profit or loss in proportion to the percentage of completion of the transaction at reporting date. The percentage of completion is measured by actual labour costs incurred in relation to total estimated labour costs as adjusted to reflect individual circumstances on a project by project basis. In the Company's view this best reflects the value delivered to the customer in a business that mainly uses human and intellectual capital of its employees for completion of the performance obligations towards the client.

Taxation

Tax expense represents the aggregate of the current tax and deferred tax charges. The current tax charge is based on the taxable profit for the period.

ANTHESIS CONSULTING (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

Deferred tax

Deferred tax is provided in full, using the statement of financial position liability method, on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all material taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than as a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in changes in equity. Deferred tax is determined using the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the asset to be recovered. Deferred tax assets and liabilities are offset when they relate to taxation levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the statement of financial position date.

Property, plant and equipment

Tangible fixed assets are carried at cost less accumulated depreciation. Depreciation is provided on the reducing balance basis at rates calculated to write off the cost of the assets over their expected useful lives. The annual depreciation rate applicable to office equipment is 20%.

Trade receivables

Trade receivables are recognised and carried at original invoice value less an allowance for any uncollectable amounts which are written off to the statement of comprehensive income when identified.

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposited with banks.

ANTHESIS CONSULTING (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business and are classified as current liabilities which are due within one year. If not due within one year they are classified as non-current liabilities.

Terminal Service Benefits

Provision is made for employees' terminal benefits on the basis prescribed under the UAE Labour Law based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment. Accordingly, the Company has no expectation of settling its employees' terminal benefits obligation in the near future and the timing of this payment is entirely dependent on an employee leaving and so is classified as due within one year.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

2. EMPLOYEE BENEFIT COSTS

	2022 £	2021 £
Wages and salaries	765,769	570,337
Pension costs	51,814	39,536
	<u>817,583</u>	<u>609,873</u>

The average monthly number of employees during the year was made up as follows:

	2022 No.	2021 No.
Full-time equivalents	<u>12</u>	<u>11</u>

3. DIRECTORS' REMUNERATION

The local managers of the branch, based in Dubai, are considered to be the Company's key management personnel. The Directors of the Company are remunerated by other Group companies for services to the Group and their remuneration is disclosed in the entity from which they are paid. The Company was charged £43,772 in relation to these services during 2022 (2021: £37,578).

4. LOSS BEFORE TAXATION

Loss before taxation is stated after charging the following:

	2022 £	2021 £
Depreciation	1,985	2,078
Foreign currency losses	94	5,867
Auditor's remuneration	7,382	6,931

Auditor's remuneration is based on recharge from group as an allocation of the overall fee and may be different if the audit was provided independently to the company.

ANTHESIS CONSULTING (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

5. TAXATION

Analysis of charge in the year

	2022	2021
	£	£
UK Corporation tax based on results for the year	-	-
UK Corporation tax adjustment in respect of prior year	-	-
	<hr/>	<hr/>
Total current tax charge	<hr/> -	<hr/> -

Factors affecting current tax charge

	2022	2021
	£	£
Loss on ordinary activities before tax	<hr/> (8,717)	<hr/> (100,757)
Tax on loss on ordinary activities at standard CT rate of 19%	(1,656)	(19,144)
Effects of:		
Expenses not deductible for tax purposes	-	7,350
Utilisation of losses surrendered not recognised in deferred tax	-	4,728
Movements not recognised in deferred tax	5,294	7,066
Remeasurement of deferred tax for rate change	(3,638)	-
	<hr/> -	<hr/> -

ANTHESIS CONSULTING (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

6. PROPERTY, PLANT AND EQUIPMENT

	2022	2021
	£	£
Office Equipment		
Cost		
At 1 January	49,770	41,497
Exchange adjustment	2,162	8,273
At 31 December	<u>51,932</u>	<u>49,770</u>
Depreciation		
At 1 January	48,442	38,086
Charge for the year	1,985	2,078
Exchange adjustment	-	8,278
At 31 December	<u>50,427</u>	<u>48,442</u>
Net book value		
At 31 December	<u>1,505</u>	<u>1,328</u>

ANTHESIS CONSULTING (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

7. INVESTMENTS IN SUBSIDIARIES

	2022	2021
	£	£
Caleb Management Services Limited	234,249	234,249
LRS Environmental Limited	505,314	505,314
	<u>739,563</u>	<u>739,563</u>

The Company's interest in subsidiaries comprise ordinary shares as follows:

<u>Subsidiary</u>	<u>Holding</u>	<u>Principal activity</u>
Caleb Management Services Limited	100%	Sustainable green chemistry
Media4Change Limited	100%	Dormant
LRS Consultancy Limited	100%	Dormant
LRS Environmental Limited	100%	Dormant

All subsidiaries are direct holdings, except for LRS Consultancy Limited which is a subsidiary of LRS Environmental Limited. All companies are registered in England & Wales at registered office First Floor, Fitzroy House, 355 Euston Road, London, NW1 3AL.

8. TRADE AND OTHER RECEIVABLES

	2022	2021
	£	£
Trade receivables	283,384	481,531
Amounts recoverable on contracts	1,015,700	806,078
Amounts due from fellow subsidiaries	5,000	1,654
Prepayments and other receivables	51,371	171,717
	<u>1,355,456</u>	<u>1,460,980</u>

There is an element of credit risk with respect to trade receivables as, experience in the region has given rise to bad debts in the past. General and specific provision for impairment has therefore been made as at 31 December 2022 of £121,512 (2021: £129,156). The Directors consider that the carrying amounts of other receivables approximate their fair value. Amounts due from associated undertaking are repayable on demand.

9. CALLED UP SHARE CAPITAL

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

All issued share capital is classified as equity.

ANTHESIS CONSULTING (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

10. TRADE AND OTHER PAYABLES

	2022	2021
	£	£
Trade payables	71,308	268,771
Payments on account	416,830	339,706
Amounts due to parent company	1,692,901	1,667,912
Amounts due to fellow subsidiaries	412,748	170,809
Social security and other taxes	5,869	140,414
Other payables, accruals and provisions	31,181	-
Withholding tax payable	238,156	218,301
	<u>2,868,993</u>	<u>2,804,914</u>

The Directors consider that the carrying amounts of trade and other payables approximate their fair value. None of the above amounts are interest bearing or secured. Amounts due to Group entities are repayable on demand.

11. ULTIMATE AND IMMEDIATE HOLDING COMPANY

Anthesis Consulting (UK) Limited is wholly owned by Anthesis Consulting Group Limited (company number 08425819, registered in England and Wales). Anthesis Global Limited (company number 13055603) has been the ultimate holding company of Anthesis Consulting (UK) Limited since 1 March 2021 and consolidated financial statements have been prepared for this entity and are available from Companies' House.

12. ULTIMATE CONTROLLING PARTY

Throughout the financial year, Palatine Private Equity Partners and Associates were substantial minority shareholders in Anthesis Global Limited which is the ultimate holding company until 1 August 2023 and they had two Directors on the Board. No single party had control, however, the Directors by virtue of their personal shareholdings, or as representatives of Palatine Private Equity Partners and Associates, in aggregate and acting together, had effective control over more than 50% of the issued share capital of Anthesis Global Limited.

On 1 August 2023 Carlyle Europe Partners completed their acquisition of the Group and became the ultimate controlling party from this date with 64% of the shareholding.

13. SUBSEQUENT EVENTS

On 1 August 2023 Carlyle Europe Partners completed their acquisition of the Group and became the ultimate controlling party from this date with 64% of the shareholding. The immediate acquiring entity was Anthesis Midco Ltd who acquired 100% of the shares of Anthesis Global Limited (which was the ultimate holding company of this entity during the year to 31 December 2022) as of this date. The new parent company of the Group is Anthesis Topco Ltd.

ANTHESIS CONSULTING (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

14. CONTINGENT LIABILITIES

At 31 December 2022, the Company was party to the Group's primary banking facilities with Investec Bank plc who hold a fixed and floating charge over the Company's assets. This has been settled post year end as part of the Group refinancing noted in note 13 above.