

Registration number: 10486936

## RSK ADAS Limited

Annual Report and Financial Statements

for the Period from 1 April 2019 to 5 April 2020



## **RSK ADAS Limited**

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## **RSK ADAS Limited**

### **Company Information**

<b>Directors</b>	A S Draper
	A A Ryder
	I H Strudwick
<b>Company secretary</b>	S Evans
<b>Registered office</b>	Spring Lodge 172 Chester Road Helsby Cheshire WA6 0AR
<b>Auditors</b>	Ross Brooke Limited Chartered Accountants and Registered Auditors Suite 1 Windrush Court Abingdon Business Park Abingdon Oxfordshire OX14 1SY

## RSK ADAS Limited

### Strategic Report for the Period from 1 April 2019 to 5 April 2020

The directors present their strategic report for the period from 1 April 2019 to 5 April 2020.

#### Principal activity

The principal activity of the company is agricultural and environmental consultancy and contracting.

#### Fair review of the business

ADAS has established itself as a valuable member of the RSK Group, enjoying a very strong position in the markets in which it operates. ADAS has an experienced management team comprising eight Managing Directors led by a Divisional Director who sits on the main board of RSK. The MDs are committed to providing an excellent client service based on commercially sound business principles and continue to enjoy a strong reputation of providing truly independent advice and support within the scientific community.

The services of ADAS are summarised below:

The SCW (Soils, Crops, and Water) business specialises in crop and horticulture research associated with yield management, employing experts in areas such as pests, weeds, diseases, soil science and management, computer modelling, and informatics. The business works for UK and international clients including the UK Government, the EU, levy bodies, research institutes, and foundations. Projects tend to be quite large and long terms and require field and laboratory work at locations around the UK and internationally, particularly Africa and the Middle East.

The ALM (Agriculture and Land Management) business specialises in providing advice to farmers and land asset owners in how to get the best out of their property. In the case of farmers, ALM provides advice on farm business management, farm diversification and renewable energy opportunities, and how to implement Government policy to maximise entitlements. ALM works with other landowners, for example water companies, and utility companies where there is an interface with landowners on issues such as access, drainage, and land reinstatement following construction activity.

The SFF (Sustainable Food and Farming) business provides expert advice to large food corporate on issues such as sustainability in the supply chain, covering issues such as food-miles, socioeconomic issues in developing countries where raw ingredients are produced. Clients include companies such as PepsiCo, Marks and Spencer and Aldi.

The CIE (Chemical in the Environment) business, trading under the brand Cambridge Environmental Assessments, provides expert advice on the toxicity and fate of chemicals. They provide expert advice to chemical companies who wish to obtain licences for the sale of chemicals into the UK and EU market. They undertake mesocosm research into the impact of chemicals on aquatic invertebrates and then model the fate through the environment. Clients include several the world's largest chemical companies such as Dow and Bayer.

The Environment business of ADAS is a traditional environmental consultancy business specialising in ecology, environmental impact, arboriculture, way-leave services, planning support, land promotion services, and archaeology. The business works for a broad spectrum of clients from housing developers, utility companies, highways and rail authorities, to local authorities, energy companies, water companies, landowners, and central Government agencies.

The Biotech business of ADAS is located at Nottingham University and specialises in the eDNA analysis of protected species including Great Crested Newts and different species of bats. The business also undertakes novel research into the early diagnosis of certain diseases in animals and humans with longer term IP opportunities.

The Habitat Management business (RSKHM) was established in late 2017 and was the seventh business stream in ADAS. RSKHM is a contracting business able to provide specialist habitat creation, management, and translocation services to developers in areas including housing, road, rail, and energy projects. The business takes the mitigation and management advice provided by our own and other environmental companies and implements these on behalf of clients.

## **RSK ADAS Limited**

### **Strategic Report for the Period from 1 April 2019 to 5 April 2020**

The Land business was established in 2018 and is primarily devoted to finding sites that are suitable for commercial development, where the landowner or developer may require the specialist services of the RSK Group to realise the full financial potential of the site. The business may work in partnership with the owner or developer, or seek to purchase land, where the investment potential is deemed particularly promising. Difficult sites are a special focus, where there could be contamination from previous industrial use, ecological constraints, or other planning obstacles. In these cases, Land will commission services from around the RSK Group to bring together a powerful consortium of expertise, including ground investigation, building sciences and acoustics specialists, enabling even the most challenging of land parcels to achieve sustainable development outcomes and new productive commercial uses.

As in previous years, the Company continues to capitalise on the opportunities available within the RSK group, providing agricultural, rural planning and environmental services to other companies within RSK, and utilising services such as engineering, construction, software development and chemical lab testing in return.

RSK Group Limited, the ultimate parent of the Company, is a holding company, but through subsidiary companies the principal trading activity is that of research and consulting in the areas of environmental science, engineering, agriculture, planning, and sustainability - together with the provision of related technical services. The Group is focused on providing services to clients that assist them in meeting the Sustainable Development Goals set by the United Nations.

#### **Results for the year**

This Company performed strongly with an 14% increase in Turnover compared with the previous year at £23.4m (2019: £20.6m) and this helped drive a small increase in operating profit to £0.6m (2019: £0.5m). The Directors of the company are confident that ADAS will build on its successes and deliver further growth in the current financial year, providing a valuable contribution to the RSK Group.

#### **Key Performance Indicators**

The directors monitor several Key Performance Indicators (KPIs) and debate the company performance relative to those KPI at board meetings and divisional meetings. KPIs 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;
- Debtor and Creditor days.

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

#### **Corporate responsibility**

The Company fully supports the historic Paris Agreement on climate change which, as of May 2019, has been signed or acceded to by all 197 parties to the United Nations Framework Convention on Climate Change, and recognises that this will play a significant role in limiting global temperature increases to well below 2 degrees C above pre-industrialised levels.

The SDGs are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. It is not just about Climate Action, but it is also about providing affordable and clean energy, protecting life on land and below water, ending poverty and famine, and ensuring water supply and sanitation are available to all people.

## **RSK ADAS Limited**

### **Strategic Report for the Period from 1 April 2019 to 5 April 2020**

These fundamental drivers will have great impact on RSK over the next 5 years, both on how we operate ourselves, but also how we support our clients as they evolve in support of the SDGs. To ensure consistent focus on the SDGs we have mapped our Corporate Responsibility and Sustainability Route Map against them. Also, we will be helping our customers install renewable heat and power, improve electricity distribution networks, protect and enhance ecological diversity, end fuel poverty, improve housing and infrastructure to support our growing population.

The world's population has increased by more than 40% since 1990, which is placing stress on housing and infrastructure, including schools, hospitals, roads, rail and airports. In the UK the number of new households has exceeded the number of new homes built every year since 2008.

We have never before seen such huge opportunity before us. The services provided by RSK have never been in greater demand, and we can help our clients by bringing science, engineering and technology skills and services to bear and solve problems.

#### **Key principles**

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

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

#### **Our Commitment to our People**

The directors recognise that our people are the key to success, and we strive to engage with all our employees, making sure everyone is involved in the development of our business and feels pride in it.

As directors we recognise our responsibilities and are committed to equal opportunities for all employees and applicants and opposes all forms of unlawful or unfair discrimination in relation to a protected characteristic i.e. age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership or pregnancy and maternity (this list is not exhaustive). All employees and applicants, whether part time, full time or temporary, will be treated fairly and with respect.

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

The Company endeavours to promote equality and ensure that individuals are treated equally and fairly, and will also take measures, as far as is reasonably practicable, that any contractors also maintain the principle of equality for all.

As directors it is important to us that we look after the wellbeing of our employees and, along with companies across the RSK Group, have signed the Time to Change Employer pledge, demonstrating our commitment to change the way we all think and act about mental health in the workplace.

## RSK ADAS Limited

### Strategic Report for the Period from 1 April 2019 to 5 April 2020

#### Principle risks and uncertainties

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

▫ Failure to maintain a sufficient resource of staff at appropriate levels of seniority and experience. The directors recognise that having a sufficient resource to undertake projects is critical to the continued success of the Company. To that end, 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 client's needs in an exemplary fashion. The directors monitor staff KPIs including staff turnover to identify any trends or issues.

▫ Termination of projects/failure either to renew Master Service Agreements or the loss of clients, due to poor performance in terms of quality or health and safety. The directors recognise that poor workmanship can result in the loss of a client or be damaging to client relationships. We want to work to the highest technical standards and to the highest standards in terms of health and safety. To these ends, we undertake regular appraisals with staff, we review projects, we undertake business reviews and peer reviews of projects and deliverables. We operate in accordance with ISO 9001 and 14001, and also OHSAS 18001. Many of our operations are regulated by compliance with various specific industry codes of practice and standards. Through internal reviews, monitoring of KPIs and a programme of internal audits, problems can be identified and remedied. There has been a very significant focus on communication, education and training to prevent incidents and identify risks at the earliest opportunity.

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

▫ Like all business Covid 19 is a risk to ADAS. Through the most uncertain early part of the pandemic we put systems in place to prepare weekly and monthly forecasts of performance by each of our business units to monitor the adverse effects. Utilisation and workloads are monitored on a weekly basis. We took action to mitigate the risk by furloughing staff in the UK where appropriate and ensuring all office based staff work from home where possible. No dividends were paid in the year to preserve cashflow.

Approved by the Board on 26/03/2021 and signed on its behalf by:



A A Ryder  
Director

**RSK ADAS Limited**

**Directors' Report for the Period from 1 April 2019 to 5 April 2020**

The directors present their report and the financial statements for the period from 1 April 2019 to 5 April 2020.

**Directors of the company**

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

A S Draper

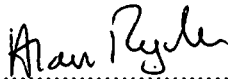
A A Ryder

I H Strudwick

**Disclosure of information to the auditors**

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

Approved by the Board on 26/03/2021 and signed on its behalf by:



.....  
A A Ryder  
Director



## **RSK ADAS Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

## **RSK ADAS Limited**

### **Independent Auditor's Report to the Members of RSK ADAS Limited**

#### **Opinion**

We have audited the financial statements of RSK ADAS Limited (the 'company') for the period from 1 April 2019 to 5 April 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 5 April 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **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.

## **RSK ADAS Limited**

### **Independent Auditor's Report to the Members of RSK ADAS Limited**

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## RSK ADAS Limited

### Independent Auditor's Report to the Members of RSK ADAS Limited

- Conclude 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

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



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

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

Date: 20/3/21 .....

**RSK ADAS Limited**

**Profit and Loss Account for the Period from 1 April 2019 to 5 April 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
Turnover	3	23,420,435	20,604,901
Cost of sales		<u>(5,492,496)</u>	<u>(4,690,474)</u>
Net fee income		17,927,939	15,914,427
Administrative expenses		(18,262,202)	(15,446,120)
Other operating income	4	<u>946,940</u>	<u>-</u>
Operating profit	5	<u>612,677</u>	<u>468,307</u>
Other interest receivable and similar income	6	-	500
Interest payable and similar expenses	7	<u>(30,018)</u>	<u>(27,126)</u>
		<u>(30,018)</u>	<u>(26,626)</u>
Profit before tax		582,659	441,681
Taxation	10	<u>(176,372)</u>	<u>(163,723)</u>
Profit for the financial period		<u><u>406,287</u></u>	<u><u>277,958</u></u>

The above results were derived from continuing operations.

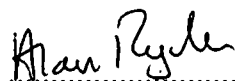
The company has no recognised gains or losses for the period other than the results above.

**RSK ADAS Limited**

**(Registration number: 10486936)  
Balance Sheet as at 5 April 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	11	2,008,141	2,302,341
Tangible assets	12	1,671,140	1,325,009
Investments		<u>100</u>	<u>100</u>
		<u>3,679,381</u>	<u>3,627,450</u>
<b>Current assets</b>			
Debtors	13	7,735,816	6,023,465
Cash at bank and in hand		<u>628,095</u>	<u>248,276</u>
		8,363,911	6,271,741
<b>Creditors: Amounts falling due within one year</b>	14	<u>(5,336,421)</u>	<u>(5,532,498)</u>
<b>Net current assets</b>		<u>3,027,490</u>	<u>739,243</u>
<b>Total assets less current liabilities</b>		6,706,871	4,366,693
<b>Creditors: Amounts falling due after more than one year</b>	14	<u>(6,699,917)</u>	<u>(4,766,026)</u>
<b>Net assets/(liabilities)</b>		<u><u>6,954</u></u>	<u><u>(399,333)</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		<u>6,854</u>	<u>(399,433)</u>
<b>Total equity</b>		<u><u>6,954</u></u>	<u><u>(399,333)</u></u>

Approved and authorised by the Board on 26/03/2021 and signed on its behalf by:



A A Ryder  
Director

**RSK ADAS Limited**

**Statement of Changes in Equity for the Period from 1 April 2019 to 5 April 2020**

	Share capital £	Profit and loss account £	Total £
At 2 April 2018	100	(77,391)	(77,291)
Profit for the period	-	277,958	277,958
Dividends	-	(600,000)	(600,000)
At 31 March 2019	<u>100</u>	<u>(399,433)</u>	<u>(399,333)</u>
	Share capital £	Profit and loss account £	Total £
At 1 April 2019	100	(399,433)	(399,333)
Profit for the period	-	406,287	406,287
At 5 April 2020	<u>100</u>	<u>6,854</u>	<u>6,954</u>

## **RSK ADAS Limited**

### **Notes to the Financial Statements for the Period from 1 April 2019 to 5 April 2020**

#### **1 General information**

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

The address of its registered office is:

Spring Lodge  
172 Chester Road  
Helsby  
Cheshire  
WA6 0AR  
England

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

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

##### **Basis of preparation**

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

The financial statements are presented in Sterling (£) and rounded to the nearest pound.

##### **Summary of disclosure exemptions**

The company has taken advantage of the exemption to prepare a Statement of Cashflows on the basis that it is a member of group where the parent of that group, RSK Group Ltd, prepares publicly available consolidated financial statements.

##### **Name of parent of group**

These financial statements are consolidated in the financial statements of RSK Group Limited.

The financial statements of RSK Group Limited may be obtained from Companies House.



## **RSK ADAS Limited**

### **Notes to the Financial Statements for the Period from 1 April 2019 to 5 April 2020**

#### **Going concern**

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

The company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its subsidiaries. The Group completed a refinancing with funds managed by Ares Management on 25th October 2018. These funds comprise a £100,000,000 drawn facility, a £100,000,000 committed acquisition facility and a further £100,000,000 incremental acquisition facility. These facilities are committed for seven years to 25th October 2025. In October 2019 a further £50,000,000 was added to the committed acquisition facility no changes were made to the incremental acquisition facility. In August 2020 £25,000,000 was moved from the incremental acquisition facility to the committed acquisition facility and in February 2021 the final £75,000,000 within the incremental acquisition facility was moved to the committed acquisition facility.

As part of the refinancing a £15,000,000 revolving Credit Facility was also put in place with NatWest Bank. The facilities put in place will finance growth, both organic and acquisitive and associated working capital requirements. As at 05th April 2020 £101,787,618 million of the committed acquisition facility was drawn. After a thorough review, and considering the impact of Covid -19, the Group's consolidated business plan, forecasts and projections show that it is expected to operate within its facilities.

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

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

#### **Judgements**

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

#### **Key sources of estimation uncertainty**

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

##### **(i) Impairment of debtors**

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

##### **(ii) Amounts recoverable on contracts**

Management make estimates regarding the recognition of income from contracts. Such estimates are calculated on the bases explained in the accounting policy for revenue.

#### **Revenue recognition**

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

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 activity progresses. Turnover represents the value of work done in the period, including estimates of amounts not invoiced, and is recognised by reference to the stage of completion.

## RSK ADAS Limited

### Notes to the Financial Statements for the Period from 1 April 2019 to 5 April 2020

#### Foreign currency transactions and balances

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

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

#### Tax

The 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 company operates and generates taxable income.

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 company operates and generates taxable income.

#### Tangible assets

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
Land and buildings	15 years straight line
Fixtures and fittings	3 years straight line
Motor vehicles	6 years straight line
Property, plant and equipment	4 years straight line

#### Business combinations

Business combinations are accounted for using the purchase method. 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. 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.

#### Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company'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. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### Amortisation

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

## RSK ADAS Limited

### Notes to the Financial Statements for the Period from 1 April 2019 to 5 April 2020

Asset class	Amortisation method and rate
Goodwill	Straight line over 10 years

#### Investments

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.

#### Cash and cash equivalents

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

#### Trade debtors

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

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

#### Borrowings

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 company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### Leases

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

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

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

#### Share capital

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

#### Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

## **RSK ADAS Limited**

### **Notes to the Financial Statements for the Period from 1 April 2019 to 5 April 2020**

#### **Defined contribution pension obligation**

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

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

## RSK ADAS Limited

### Notes to the Financial Statements for the Period from 1 April 2019 to 5 April 2020

#### 3 Revenue

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

	2020 £	2019 £
Rendering of services	<u>23,420,435</u>	<u>20,604,901</u>

#### 4 Other operating income

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

	2020 £	2019 £
Research & development expenditure tax credits	<u>946,940</u>	<u>-</u>

#### 5 Operating profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	369,343	219,958
Amortisation expense	294,200	300,000
Profit on disposal of property, plant and equipment	<u>(8,646)</u>	<u>(27,865)</u>

In respect of the year ended 5 April 2020, the company's audit fees of £14,000 (2019: £14,000) have been met by RSK Group Limited, the company's ultimate parent company, and recharged to the company as part of the management charges levied. The consolidated accounts of that company disclose remuneration receivable by the company's and group's auditors for all services provided.

#### 6 Other interest receivable and similar income

	2020 £	2019 £
Interest income on bank deposits	<u>-</u>	<u>500</u>

#### 7 Interest payable and similar expenses

	2020 £	2019 £
Interest on obligations under finance leases and hire purchase contracts	13,499	6,355
Interest expense on other finance liabilities	-	23,070
Foreign exchange (gains) / losses	<u>16,519</u>	<u>(2,299)</u>
	<u>30,018</u>	<u>27,126</u>

## RSK ADAS Limited

### Notes to the Financial Statements for the Period from 1 April 2019 to 5 April 2020

#### 8 Staff costs

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

	2020 £	2019 £
Wages and salaries	11,392,756	9,259,953
Social security costs	1,049,088	931,290
Pension costs, defined contribution scheme	502,301	1,090,985
Other employee expense	140,915	109,948
	<u>13,085,060</u>	<u>11,392,176</u>

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

	2020 No.	2019 No.
Technical and professional	299	363
Administration and support	91	8
	<u>390</u>	<u>371</u>

#### 9 Directors' remuneration

The directors' remuneration for the period was £nil (2019: £nil).

Each of the Directors is an employee of RSK Group Limited and receives remuneration as an employee.

# RSK ADAS Limited

## Notes to the Financial Statements for the Period from 1 April 2019 to 5 April 2020

### 10 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
<b>Current taxation</b>		
Group relief provided by other group companies	<u>176,372</u>	<u>163,723</u>

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>582,659</u>	<u>441,681</u>
Corporation tax at standard rate	110,705	83,919
Effect of expense not deductible in determining taxable profit (tax loss)	55,898	804
Tax increase from effect of capital allowances and depreciation	25,551	73,000
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(15,782)</u>	<u>6,000</u>
Total tax charge	<u>176,372</u>	<u>163,723</u>

### 11 Intangible assets

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 April 2019	<u>2,942,341</u>	<u>2,942,341</u>
At 5 April 2020	<u>2,942,341</u>	<u>2,942,341</u>
<b>Amortisation</b>		
At 1 April 2019	640,000	640,000
Amortisation charge	<u>294,200</u>	<u>294,200</u>
At 5 April 2020	<u>934,200</u>	<u>934,200</u>
<b>Carrying amount</b>		
At 5 April 2020	<u>2,008,141</u>	<u>2,008,141</u>
At 31 March 2019	<u>2,302,341</u>	<u>2,302,341</u>

RSK ADAS Limited

Notes to the Financial Statements for the Period from 1 April 2019 to 5 April 2020

12 Tangible assets

	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 April 2019	732,680	247,024	695,727	65,013	1,740,444
Additions	24,929	129,505	271,074	292,025	717,533
Disposals	-	(42,086)	(50,308)	-	(92,394)
At 5 April 2020	<u>757,609</u>	<u>334,443</u>	<u>916,493</u>	<u>357,038</u>	<u>2,365,583</u>
<b>Depreciation</b>					
At 1 April 2019	44,678	104,113	229,195	37,449	415,435
Charge for the period	19,665	86,419	186,950	76,309	369,343
Eliminated on disposal	-	(40,860)	(49,475)	-	(90,335)
At 5 April 2020	<u>64,343</u>	<u>149,672</u>	<u>366,670</u>	<u>113,758</u>	<u>694,443</u>
<b>Carrying amount</b>					
At 5 April 2020	<u>693,266</u>	<u>184,771</u>	<u>549,823</u>	<u>243,280</u>	<u>1,671,140</u>
At 31 March 2019	<u>688,002</u>	<u>142,911</u>	<u>466,532</u>	<u>27,564</u>	<u>1,325,009</u>

Included within the net book value of land and buildings above is £693,266 (2019 - £688,002) in respect of freehold land and buildings.



# RSK ADAS Limited

## Notes to the Financial Statements for the Period from 1 April 2019 to 5 April 2020

### 13 Debtors

	Note	2020 £	2019 £
Trade debtors		3,321,514	3,690,580
Amounts owed by related parties		477,999	-
Other debtors		19,164	57,639
Prepayments		309,812	276,162
Accrued income		2,348,223	1,936,554
Income tax asset	10	<u>1,259,104</u>	<u>62,530</u>
		<u>7,735,816</u>	<u>6,023,465</u>

### 14 Creditors

	2020 £	2019 £
<b>Due within one year</b>		
Loans and borrowings	156,301	74,614
Trade creditors	1,065,789	881,923
Amounts due to related parties	627,656	600,000
Social security and other taxes	973,374	1,008,170
Other payables	189,407	29,973
Accrued expenses	630,711	827,250
Income tax liability	-	163,723
Deferred income	<u>1,693,183</u>	<u>1,946,845</u>
	<u>5,336,421</u>	<u>5,532,498</u>
<b>Due after one year</b>		
Loans and borrowings	179,036	72,624
Amounts due to related parties	<u>6,520,881</u>	<u>4,693,402</u>
	<u>6,699,917</u>	<u>4,766,026</u>

### 15 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £502,301 (2019 - £1,090,985).

# RSK ADAS Limited

## Notes to the Financial Statements for the Period from 1 April 2019 to 5 April 2020

### 16 Share capital

#### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 17 Loans and borrowings

	2020 £	2019 £
<b>Non-current loans and borrowings</b>		
Hire purchase contracts	<u>179,036</u>	<u>72,624</u>

	2020 £	2019 £
<b>Current loans and borrowings</b>		
Hire purchase contracts	<u>156,301</u>	<u>74,614</u>

### 18 Obligations under leases and hire purchase contracts

#### Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	137,700	198,000
Later than one year and not later than five years	325,834	414,000
Later than five years	<u>142,857</u>	<u>194,000</u>
	<u>606,391</u>	<u>806,000</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £198,000 (2019 - £374,000).

### 19 Dividends

#### Interim dividends paid

## RSK ADAS Limited

### Notes to the Financial Statements for the Period from 1 April 2019 to 5 April 2020

	2020 £	2019 £
Interim dividend of £Nil per each Ordinary shares	-	600,000

#### 20 Contingent liabilities

The company is party to a Facility Agreement dated 25th October 2018 relating to funds provided by Ares Management and is a cross guarantor of all obligations together with Envirolab Limited, Remedx Limited, RSK (Ireland) Limited, RSK Project Services Limited, R W Management (Holdings) Limited, Structural Soils Limited, RSK Land and Development Engineering Limited, Dynamic Sampling UK Limited, RSK Environment Limited, JB Site Investigations Limited, Acies Civil and Structural Limited, KMGP Limited, Up and Under Group Limited, Up and Under Limited, Up and Under (Specialist Contracts) Limited, Entrainment Limited, Ian Farmer Associates (1998) Limited, Geotechnical & Structural Services Limited, Geotechnical & Structural Services (Holdings) Limited, C.J. Associates Geotechnical Limited, Cole Jarman Limited, RSKW Limited, Central Alliance Limited, Central Alliance Pre Construction Services Limited, Copeland Wedge Associates Limited, Non Destructive Testing Services Limited, PB Drilling Limited, Adas Silverdale Limited, RSK Biocensus Limited, BTS Group Limited, TBF Contracting Limited, TBF Scaffolding Limited, TBF Traffic Limited, BTS Utility ARB Limited, CAN UK Holdings Limited, CAN Geotechnical Limited, CAN Limited, CAN London Limited, Consents Solutions Limited, Drilling Supplies and Hire Services Limited, Headland Group Limited, Headland Archaeology (UK) Limited, Pelling Limited, J&A Pelling Limited, Pellings LLP, Twig Trading Limited, Cognica Limited, Water Research Centre Limited, Nature Positive Limited, CAN Renewables Limited, Ground Heat Installations Limited, ROCP Limited, PA Group (UK) Limited, Interactive Comms Limited, Nicholas O'Dwyer Limited, Nicholas O'Dwyer & Company Limited, Nicholas O'Dwyer Design & Development Limited, Zero Energy Design Ltd, Verisys Limited, RSK Radiological Limited, Salix River & Wetland Services Limited, Geocore Site Investigations Limited, ATP Architects + Surveyors Limited, Silcock Leedham Group Ltd, Silcock Leedham Consulting Engineers Limited, RSK Environment (East Africa) Limited, RSK Raw Limited, Ecologia Environmental Solutions Holdings Limited, Ecologia Environmental Solutions Limited and CAN Structures Limited.

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.

At 05 April 2020, the net exposure to the group stood at £201,787,618 (2019: £146,300,000).

#### 21 Parent and ultimate parent undertaking

The company's immediate parent is R.W.Management (Holdings) Ltd, incorporated in England & Wales.

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

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