

Registration number: 10486936

RSK ADAS Limited

Amended Annual Report and Financial Statements

for the Period from 5 April 2021 to 3 April 2022

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RSK ADAS Limited

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RSK ADAS Limited

Company Information

Directors A S Draper
 A A Ryder
 I H Strudwick
 A W Walker

Company secretary S Evans

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

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

RSK ADAS Limited

Strategic Report for the Period from 5 April 2021 to 3 April 2022

The directors present their strategic report for the period from 5 April 2021 to 3 April 2022.

Principal activity

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

Fair review of the business

ADAS enjoys a strong position in the markets in which it operates. ADAS has an experienced management team comprising nine Managing Directors led by a Group Managing Director, who reports to the Divisional Director who sits on the main board of RSK. The Managing Directors 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 Soils, Crops, and Water business specialises in crop research associated with yield management, employing experts in areas such as pests, weeds, diseases, soil science and management, computer modelling, and informatics. Our horticulture team, which delivers research and consultancy in fresh produce, protected crops and ornamentals, was re-integrated into this business for operational reasons in FY22. 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 term and require field and laboratory work at locations around the UK and internationally, particularly Africa and the Middle East.

The Agriculture and Land Management (ALM) business specialises in providing advice to farmers and land asset owners in how to get the best out of their enterprise. 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 Climate and Sustainability business provides expert advice to large food corporates, NGOs and Government agencies on issues such as sustainability and carbon net zero strategies in the supply chain, covering issues such as food-miles, and socioeconomic issues in developing countries where raw ingredients are produced. Clients include companies such as PepsiCo, Marks and Spencer and Aldi, and agencies such as the Committee on Climate Change and WWF.

The Biotech business of ADAS is located at a purpose-built laboratory in Nottingham 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 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 Adama and Bayer.

RSK ADAS Limited

Strategic Report for the Period from 5 April 2021 to 3 April 2022

The Environment business of ADAS is a traditional environmental consultancy business specialising in ecology, environmental impact, arboriculture, way-leave services and archaeology and built heritage. 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.

RSK Habitat Management was established in late 2017 and was the seventh business stream in ADAS. Habitat Management 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.

The Planning, Land and Development 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.

ADAS Infrastructure and Rural Services team provide professional land agency services, consultancy and advice to landowners, managers and developers to help them realise the best return for their assets.

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 its subsidiary companies the RSK Group ("RSK") is a global leader in the delivery of sustainable solutions. Comprised of over two hundred subsidiary companies engaged in environmental, sustainability and engineering fields, RSK is focused on providing services to public and private sector clients that assist them in meeting the United Nations' Sustainable Development Goals. This includes research, consultancy and technical services in sectors ranging from water, food and drink, infrastructure, urban development, mining and waste.

Results for the year

This Company performed strongly in the year with operating profit increasing to £2.0m (2021: £1.3m). The Directors of the company are confident that ADAS will build on its successes and deliver further growth providing a valuable contribution to the RSK Group.

RSK ADAS Limited

Strategic Report for the Period from 5 April 2021 to 3 April 2022

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:

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

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

Corporate responsibility

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

Sustainability in all that we do

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

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

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

RSK ADAS Limited

Strategic Report for the Period from 5 April 2021 to 3 April 2022

Our holistic strategy

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

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

Key principles

The directors continue to run the business according to 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 our success as an organisation, and we strive to engage with all our employees, making sure everyone is involved in the development of our business and is proud to be part of it.

Equal opportunities

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

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

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

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

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

RSK ADAS Limited

Strategic Report for the Period from 5 April 2021 to 3 April 2022

Principal risks and uncertainties

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

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

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

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

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

- **Climate change.** The directors have followed the Task Force on Climate-Related Financial Disclosures methodology to assess the potential risks to the business that climate change poses and identify mitigation measures. Climate change is likely to generate huge demand for our services, so although there may be some disruption to our supply chain, the more likely consequence of climate change is an increase in work for RSK as our clients assess the likely impact of climate change and then implement works to adapt to flood risk, sea level rise and more extreme weather events.

RSK ADAS Limited

Strategic Report for the Period from 5 April 2021 to 3 April 2022

Approved and authorised by the Board on 23/01/2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Alan Ryder', written over a dotted line.

A A Ryder
Director

RSK ADAS Limited

Directors' Report for the Period from 5 April 2021 to 3 April 2022

The directors present their report and the financial statements for the period from 5 April 2021 to 3 April 2022.

Directors of the company

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

A S Draper

A A Ryder

I H Strudwick

A W Walker (appointed 30 June 2021)

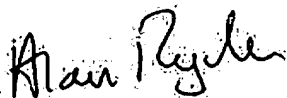
Dividends

In the financial year a £2m dividend was paid to RSK Environment Limited (2021: £1m).

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 and authorised by the Board on ...23/01/2023... 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 United Kingdom 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 revised financial statements of RSK ADAS Limited (the 'company') for the period from 5 April 2021 to 3 April 2022, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the revised 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).

These revised financial statements replace the original financial statements approved by the directors on 15 December 2022. The revised financial statements have been prepared in accordance with The Companies (Revision of Defective Accounts and Reports) Regulations 2008 and as such do not consider events which have taken place after the date on which the original financial statements were approved.

In our opinion the revised financial statements:

- give a true and fair view seen as at the date the original financial statements were approved of the state of the company's affairs as at 3 April 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice seen as at the date the original financial statements were approved; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.

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 responsibilities for the audit of the revised 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 revised 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.

Emphasis of matter

We draw attention to note 2 of the revised financial statements, which describes that a corporation tax credit and associated change in the group relief liability were not reflected in the financial statements filed on 29 December 2022.

RSK ADAS Limited

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

RSK ADAS Limited

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

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the audit of the financial statements

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

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

RSK ADAS Limited

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

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

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

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

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

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

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

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

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

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

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

Use of our report

RSK ADAS Limited

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

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



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

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

Date: 30/1/23

RSK ADAS Limited

Restated Profit and Loss Account for the Period from 5 April 2021 to 3 April 2022

	Note	2022 £	2021 £
Turnover	3	25,264,005	26,255,956
Cost of sales		<u>(10,686,196)</u>	<u>(8,307,807)</u>
Net fee income		14,577,809	17,948,149
Administrative expenses		(18,975,217)	(17,633,363)
Other operating income	4	<u>6,469,245</u>	<u>988,140</u>
Operating profit	5	<u>2,071,837</u>	<u>1,302,926</u>
Other interest receivable and similar income	6	4	-
Interest payable and similar expenses	7	<u>(21,079)</u>	<u>(15,349)</u>
		<u>(21,075)</u>	<u>(15,349)</u>
Profit before tax		2,050,762	1,287,577
Tax on profit	11	<u>11,222</u>	<u>(278,391)</u>
Profit for the financial period		<u>2,061,984</u>	<u>1,009,186</u>

The above results were derived from continuing operations.

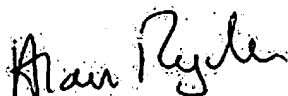
The company has no recognised gains or losses for the period other than the results above.

RSK ADAS Limited

(Registration number: 10486936)
Restated Balance Sheet as at 3 April 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	1,419,742	1,713,941
Tangible assets	13	2,309,603	1,930,289
Investments	14	92	92
		<u>3,729,437</u>	<u>3,644,322</u>
Current assets			
Debtors	15	10,652,836	7,655,261
Cash at bank and in hand		239,347	1,793,002
		10,892,183	9,448,263
Creditors: Amounts falling due within one year	17	<u>(14,293,681)</u>	<u>(6,420,465)</u>
Net current (liabilities)/assets		<u>(3,401,498)</u>	<u>3,027,798</u>
Total assets less current liabilities		327,939	6,672,120
Creditors: Amounts falling due after more than one year	17	<u>(249,815)</u>	<u>(6,655,980)</u>
Net assets		<u>78,124</u>	<u>16,140</u>
Capital and reserves			
Called up share capital		100	100
Retained earnings		<u>78,024</u>	<u>16,040</u>
Shareholders' funds		<u>78,124</u>	<u>16,140</u>

Approved and authorised by the Board on ..23/01/2023.... and signed on its behalf by:



A A Ryder
Director

RSK ADAS Limited

Restated Statement of Changes in Equity for the Period from 5 April 2021 to 3 April 2022

	Share capital £	Profit and loss account £	Total £
At 5 April 2021	100	16,040	16,140
Profit for the period	-	2,061,984	2,061,984
Dividends paid	-	(2,000,000)	(2,000,000)
At 3 April 2022	<u>100</u>	<u>78,024</u>	<u>78,124</u>

	Share capital £	Profit and loss account £	Total £
At 6 April 2020	100	6,854	6,954
Profit for the period	-	1,009,186	1,009,186
Dividends paid	-	(1,000,000)	(1,000,000)
At 4 April 2021	<u>100</u>	<u>16,040</u>	<u>16,140</u>

RSK ADAS Limited

Notes to the Financial Statements for the Period from 5 April 2021 to 3 April 2022

1 General information

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

The address of its registered office is:

Spring Lodge
172 Chester Road
Helsby
Cheshire
WA6 0AR
England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

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

The financial statements are presented in sterling, which is the functional currency of the company.

As permitted by the FRS 102 1A framework, the company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cashflow statement, remuneration of key management personnel and presentation of changes in current tax and deferred tax assets/liabilities.

These accounts are consolidated into the accounts of RSK Group Ltd.

RSK ADAS Limited

Notes to the Financial Statements for the Period from 5 April 2021 to 3 April 2022

Going concern

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

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

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

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

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

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

RSK ADAS Limited

Notes to the Financial Statements for the Period from 5 April 2021 to 3 April 2022

Changes in circumstances

Restatement of financial statements

These are a revised version of the accounts submitted on the 29th December 2022 and are now the statutory version. The revised accounts replace the original annual accounts for the financial year ended 3 April 2022. The accounts have been prepared as they were at the date of the original accounts, not as at the date of the revision. Accordingly, they do not deal with events between those dates.

The need for the revision to the financial statements arose in order to amend the corporation tax credit and associated change in the group relief liability, which was not reflected in the filed set.

The total value of the adjustment is a credit of £422,326 to the corporation tax charge and a debit of £422,326 to the group relief liability.

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. The carrying amount is £5,121,000 (2021 - £2,812,000).

(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. The carrying amount is £3,949,000 (2021 - £3,410,000).

RSK ADAS Limited

Notes to the Financial Statements for the Period from 5 April 2021 to 3 April 2022

Revenue recognition

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

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

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

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

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

Government grants

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

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.

RSK ADAS Limited

Notes to the Financial Statements for the Period from 5 April 2021 to 3 April 2022

Tax

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

Current tax

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

Deferred tax

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

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

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

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

Tangible assets

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

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

Depreciation

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

Asset class	Depreciation method and rate
Land and buildings	15 years straight line
Fixtures and fittings	3 years straight line
Motor vehicles	4 years straight line
Property, plant and equipment	4 years straight line

RSK ADAS Limited

Notes to the Financial Statements for the Period from 5 April 2021 to 3 April 2022

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:

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.

Cash and cash equivalents

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

Debtors

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

Creditors

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

RSK ADAS Limited

Notes to the Financial Statements for the Period from 5 April 2021 to 3 April 2022

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.

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 5 April 2021 to 3 April 2022

Financial instruments

Financial assets

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

Financial liabilities

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

3 Turnover

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

	2022 £	2021 £
Rendering of services	<u>25,264,005</u>	<u>26,255,956</u>

4 Other operating income

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

	2022 £	2021 £
Research & development expenditure tax credits	665,003	384,093
Government grants receivable	20,802	604,047
Other grants received	<u>5,783,440</u>	<u>-</u>
	<u>6,469,245</u>	<u>988,140</u>

5 Operating profit

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	713,904	514,607
Amortisation expense	294,200	294,200
Foreign exchange losses	328,764	16,154
Loss/(profit) on disposal of property, plant and equipment	<u>57,673</u>	<u>(76,166)</u>

RSK ADAS Limited

Notes to the Financial Statements for the Period from 5 April 2021 to 3 April 2022

6 Other interest receivable and similar income

	2022 £	2021 £
Other finance income	<u>4</u>	<u>-</u>

7 Interest payable and similar expenses

	2022 £	2021 £
Interest on obligations under finance leases and hire purchase contracts	21,079	12,945
Interest expense on other finance liabilities	-	2,404
	<u>21,079</u>	<u>15,349</u>

8 Staff costs

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

	2022 £	2021 £
Wages and salaries	12,032,228	10,724,652
Social security costs	1,141,645	1,026,449
Pension costs, defined contribution scheme	506,301	509,254
Other employee expense	51,691	111,031
	<u>13,731,865</u>	<u>12,371,386</u>

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

	2022 No.	2021 No.
Administration and support	68	16
Technical and professional	334	377
	<u>402</u>	<u>393</u>

9 Directors' remuneration

The directors' remuneration for the period was £nil (2021: £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 5 April 2021 to 3 April 2022

10 Auditors' remuneration

In respect of the year ended 3 April 2022, audit fees of £15,000 (2021: £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 the group's auditors for all services provided.

11 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £	2021 £
Current taxation		
UK corporation tax	<u>(11,222)</u>	<u>278,391</u>

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

On 3 March 2021, the UK Government announced an increase to the UK's main corporation tax rate from 19% to 25%. These changes have been substantively enacted and will come into effect from 1 April 2023. As RSK ADAS has no recognised deferred tax in the period, there is no impact of this change in rate.

It is noted that the company has unrecognised deferred tax in the period with respect to future capital allowance deductions.

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u>2,050,762</u>	<u>1,287,577</u>
Corporation tax at standard rate	389,645	244,640
Effect of expense not deductible in determining taxable profit (tax loss)	62,362	(13,487)
Increase from tax losses for which no deferred tax asset was recognised	33,821	-
Decrease in UK and foreign current tax from unrecognised temporary difference from a prior period	(11,222)	-
Tax increase from effect of capital allowances and depreciation	-	90,503
Tax decrease arising from group relief	(422,326)	-
Tax decrease from effect of adjustment in research and development tax credit	(31,470)	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(32,032)</u>	<u>(43,265)</u>
Total tax (credit)/charge	<u>(11,222)</u>	<u>278,391</u>

RSK ADAS Limited

Notes to the Financial Statements for the Period from 5 April 2021 to 3 April 2022

12 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 5 April 2021	<u>2,942,341</u>	<u>2,942,341</u>
At 3 April 2022	<u>2,942,341</u>	<u>2,942,341</u>
Amortisation		
At 5 April 2021	1,228,400	1,228,400
Amortisation charge	<u>294,199</u>	<u>294,199</u>
At 3 April 2022	<u>1,522,599</u>	<u>1,522,599</u>
Carrying amount		
At 3 April 2022	<u>1,419,742</u>	<u>1,419,742</u>
At 4 April 2021	<u>1,713,941</u>	<u>1,713,941</u>

13 Tangible assets

	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 5 April 2021	760,589	416,554	1,478,815	479,912	3,135,870
Additions	105,460	189,361	852,373	82,218	1,229,412
Disposals	<u>-</u>	<u>(19,420)</u>	<u>(212,191)</u>	<u>-</u>	<u>(231,611)</u>
At 3 April 2022	<u>866,049</u>	<u>586,495</u>	<u>2,118,997</u>	<u>562,130</u>	<u>4,133,671</u>
Depreciation					
At 5 April 2021	84,484	248,674	660,086	212,337	1,205,581
Charge for the period	31,587	125,655	451,072	105,589	713,903
Eliminated on disposal	<u>-</u>	<u>(17,683)</u>	<u>(77,733)</u>	<u>-</u>	<u>(95,416)</u>
At 3 April 2022	<u>116,071</u>	<u>356,646</u>	<u>1,033,425</u>	<u>317,926</u>	<u>1,824,068</u>
Carrying amount					
At 3 April 2022	<u>749,978</u>	<u>229,849</u>	<u>1,085,572</u>	<u>244,204</u>	<u>2,309,603</u>
At 4 April 2021	<u>676,105</u>	<u>167,880</u>	<u>818,729</u>	<u>267,575</u>	<u>1,930,289</u>

Included within the net book value of land and buildings above is £749,978 (2021 - £676,105) in respect of freehold land and buildings and £Nil (2021 - £Nil) in respect of long leasehold land and buildings.

RSK ADAS Limited

Notes to the Financial Statements for the Period from 5 April 2021 to 3 April 2022

Assets held under finance leases and hire purchase contracts

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

	2022 £	2021 £
Motor vehicles	<u>201,076</u>	<u>423,000</u>

14 Investments

	2022 £	2021 £
Investments in subsidiaries	<u>92</u>	<u>92</u>

Subsidiaries

Cost or valuation

At 5 April 2021

92

Carrying amount

At 3 April 2022

92

At 4 April 2021

92

Details of undertakings

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

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
ADAS Silverdale Limited	Spring Lodge 172 Chester Road Helsby Cheshire WA6 0AR England	Ordinary	92%	92%

Subsidiary undertakings

ADAS Silverdale Limited

The principal activity of ADAS Silverdale Limited is development and sale of real estate.

RSK ADAS Limited

Notes to the Financial Statements for the Period from 5 April 2021 to 3 April 2022

15 Debtors

	Note	2022 £	2021 £
Trade debtors		5,121,009	2,812,409
Amounts owed by related parties		316,233	208,718
Other debtors		33,559	18,896
Prepayments		303,421	169,178
Accrued income		3,949,429	3,410,613
Corporation tax receivable	11	929,185	1,035,447
		<u>10,652,836</u>	<u>7,655,261</u>

16 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	<u>239,347</u>	<u>1,793,002</u>

17 Creditors

	2022 £	2021 £
Due within one year		
Hire purchase contracts	181,806	184,281
Trade creditors	1,732,505	1,067,618
Amounts due to related parties	7,857,741	385,051
Social security and other taxes	996,894	967,940
Other payables	27,530	13,503
Accruals	1,255,983	1,113,224
Group relief payable	204,978	-
Deferred income	2,036,244	2,688,848
	<u>14,293,681</u>	<u>6,420,465</u>
Due after one year		
Hire purchase contracts	249,815	269,370
Other non-current financial liabilities	-	6,386,610
	<u>249,815</u>	<u>6,655,980</u>

RSK ADAS Limited

Notes to the Financial Statements for the Period from 5 April 2021 to 3 April 2022

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £506,301 (2021 - £509,254).

19 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

20 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	245,504	185,022
Later than one year and not later than five years	589,088	298,885
Later than five years	<u>205,714</u>	<u>108,599</u>
	<u>1,040,306</u>	<u>592,506</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £204,039 (2021 - £138,000).

RSK ADAS Limited

Notes to the Financial Statements for the Period from 5 April 2021 to 3 April 2022

21 Dividends

Final dividends paid

	2022 £	2021 £
Final dividend of £20,000.00 (2021 - £10,000.00) per each Ordinary share	<u>2,000,000</u>	<u>1,000,000</u>

22 Commitments

Contingent liabilities

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

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

23 Parent and ultimate parent undertaking

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

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

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