NRC Environmental Services (UK) Limited

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number SC185760

NRC Environmental Services (UK) Limited

Company Information

Directors	T Brinkel M Reese
Company secretary	Burness Paull LLP J Selden
Registered number	SC185760
Registered office	50 Lothian Road Festival Square Edinburgh EH3 9WJ
Auditor	Mercer & Hole Silbury Court 420 Silbury Boulevard Central Milton Keynes Buckinghamshire MK9 2AF
Solicitors	Burness Paull LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ

NRC Environmental Services (UK) Limited

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NRC Environmental Services (UK) Limited

Strategic Report
For the Year Ended 31 December 2020

Business review

NRC Environmental Services (UK) Limited achieved a turnover of £2,690,021 (2019 - £5,581,629) in the year with a net loss before taxation of £1,799,293 (2019 - loss of £1,908,895).The loss after taxation was £1,541,845 (2019 – loss of £1,908,895)

Turnover from overseas territories has increased from £157,996 to £257,543. Domestic sales have continued to be challenging as the year progressed as a consequence of falling oil prices globally and COVID. This has significantly reduced the profitability of the oil and gas sector, which has sought to reduce costs via activity reduction (e.g. decommissioning oil rigs) or via cost cutting measures. As the company is a supplier mainly to this industry, the demand for the company's services has fallen. The company has become loss making in the face of an increasing cost base as previously established economies of scale are lost or reduced along with the reduction in revenue.

The company is actively looking at diversification into other business sectors, taking current capabilities with slight modifications to equipment and moving into more land based civil works. Further opportunities are also being explored in the sewage maintenance and water sectors.

Principal risks, uncertainties and financial instruments

Market risk: while the demand for the company's services in the market has declined significantly since the global fall in oil prices, more recent improvements in the oil and gas market and renewed general stability in the oil price suggest a slightly more optimistic outlook. With active measures taken to move into other sectors, it is anticipated that diversification to the current business will compensate for the current reduction in business.

Due to the pandemic, we are seeing an increased risk of reduced credit ratings however, we are countering this with continuous credit checks, proforma payments and parent company guarantees.

It is also anticipated that recruiting labour could be an issue moving forward, specifically OSR skilled workers in the North Sea, due to a downturn in the market directly related to the COVID pandemic

Financial key performance indicators

In reviewing performance of the company, the Board considers key performance indicators including sales, gross profit margin, overheads, net profit margin and EBITDA. These are monitored monthly against the forecast and, where necessary, corrective action is highlighted and implemented. The company reviews sales on a 13 week look ahead basis, identifying in advance any shortfalls or peaks which affect resources and enable the business to plan accordingly. The company monitors equipment usage on a daily basis providing a comprehensive overview of requirements, future investment and priorities for refurbishment and maintenance. Cash is critical to any business and therefore is managed on a daily basis,

This report was approved by the board on 17 Dec 2021 and signed on its behalf.

Todd Brinkel

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T Brinkel
Director

NRC Environmental Services (UK) Limited

Directors' Report
For the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

The company provides a specialised cleaning service and rental of specialised equipment for the oil and gas and civil sectors.

Directors

The directors' who served during the year and subsequently after the year were:

T. Brinkel (appointed 25 November 2020)
M. Reese
J.J. Peterson (resigned 25 November 2020)
T. E. Gottsegen (resigned 25 November 2020)
J. Michaud (resigned on 25 October 2020)
C. T. Swinbank (resigned 25 November 2020)

Matters contained in the strategic report

The business review, principal risks, uncertainties and financial instruments and key performance indicators have been included within the strategic report.

Going concern

During the year the company has made a loss of £1,541,845 (2019 - £1,908,895) and had net current liabilities of £4,293,285 (2019: net current liabilities £5,139,409) and net assets of £3,928,170 (2019 - £5,470,015). The ultimate parent company has confirmed that it intends to provide financial support over at least a period of 12 months from the date of approval of these financial statements. The directors believe that it is therefore appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from financial support being withdrawn.

Environmental matters

The company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The company has complied with all applicable legislation and regulations.

Future developments

The Management expect the oil and gas sector to remain challenging in 2022, expecting a small upturn into the civils sector of the business. In addition to optimising its oil and gas services, the company will continue to develop its non oil and gas services in the UK market and develop its overseas activities with a particular focus on West Africa and Mexico in collaboration with NRC group affiliates.

NRC Environmental Services (UK) Limited

Directors' Report
For the Year Ended 31 December 2020

Directors' Responsibilities Statement

The directors are responsible for preparing the strategic report, directors' 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 then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

Mercer & Hole were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2016, a resolution proposing that they be re-appointed will be put at a General meeting.

This report was approved by the board on 17 Dec 2021 and signed on its behalf.

Todd Brinkel

T Brinkel
Director

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of NRC Environmental Services (UK) Limited (the 'company') for the period ended 31 December 2020 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 December 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's 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 director's 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 director's responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determines 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 intends 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non- compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non- compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Mercer & Hole

Andrew Lawes MA MSc FCA (Senior Statutory Auditor)
for and on behalf of Mercer & Hole

20 December 2021

Chartered Accountants
Statutory Auditor

Silbury Court
420 Silbury Boulevard
Central Milton Keynes
Buckinghamshire
MK9 2AF

NRC Environmental Services (UK) Limited
Registered number:SC185760

Profit and Loss Account
For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	3	**2,690,021**	5,581,629
Cost of sales		**(2,917,014)**	(5,433,701)
GROSS (LOSS) / PROFIT		**(226,993)**	147,928
Administrative expenses		**(1,488,414)**	(1,933,298)
Exceptional administrative expenses	10	**(389,005)**	(119,554)
Other operating income	5	**305,248**	-
OPERATING LOSS	4	**(1,799,164)**	(1,904,924)
Interest payable and similar expenses	8	**(129)**	(3,971)
LOSS BEFORE TAX		**(1,799,293)**	(1,908,895)
Tax on loss	9	**257,448**	-
LOSS FOR THE FINANCIAL YEAR		**(1,541,845)**	(1,908,895)

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 10 to 23 form part of these financial statements.

NRC Environmental Services (UK) Limited
Registered number:SC185760

Balance Sheet
As at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Tangible assets	11		**1,501,697**		2,680,348
Investments	12		**6,719,758**		7,929,076
			8,221,455		10,609,424
CURRENT ASSETS					
Stocks	13	**368,222**		364,380	
Debtors: amounts falling due within one year	14	**3,454,834**		3,893,625	
Cash at bank and in hand	15	**64,061**		174,252	
		3,887,117		4,432,257	
Creditors: amounts falling due within one year	16	**(8,180,402)**		(9,571,666)	
NET CURRENT LIABILITIES			**(4,923,285)**		(5,139,409)
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,928,170**		5,470,015
NET ASSETS			**3,928,170**		5,470,015
CAPITAL AND RESERVES					
Called up share capital	18		**250,500**		250,500
Share premium account	17		**807,952**		807,952
Capital redemption reserve	17		**372,000**		372,000
Profit and loss account	17		**2,497,718**		4,039,563
			3,928,170		5,470,015

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
17 Dec 2021

Todd Brinkel

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T Brinkel
Director

The notes on pages 10 to 23 form part of these financial statements.

NRC Environmental Services (UK) Limited

Statement of Changes in Equity
For the Year Ended 31 December 2020

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2019	**250,500**	**807,952**	**372,000**	**5,948,458**	**7,378,910**
COMPREHENSIVE INCOME FOR THE YEAR					
Loss for the year	-	-	-	(1,908,895)	(1,908,895)
At 1 January 2020	**250,500**	**807,952**	**372,000**	**4,039,563**	**5,470,015**
Loss for the year	-	-	-	(1,541,845)	(1,541,845)
AT 31 DECEMBER 2020	**250,500**	**807,952**	**372,000**	**2,497,718**	**3,928,170**

The notes on pages 10 to 23 form part of these financial statements.

1. Accounting policies (continued)

1. Accounting policies

1.1 General Information

NRC Environmental Services (UK) Limited is a private company, limited by shares, registered in Scotland and incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's principal activities is set out in the directors' report. The financial statements have been prepared on a going concern basis in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £

The following principal accounting policies have been applied:

1.3 Financial reporting standard 102 - reduced disclosure exemptions

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

• Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;

• Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;

• Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;

• Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;

• Section 33 'Related Party Disclosures': Compensation for key management personnel.

This information is included in the consolidated financial statements of US Ecology Inc, at 31 December 2020 and these financial statements are publicly available on the SEC government website. CIK number 0001783400.

1. Accounting policies (continued)

1.4 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

1.5 Going concern

The financial statements have been prepared on a going concern basis.

As part of their assessment as to whether the use of the going concern basis is appropriate, the directors assess whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors make this assessment in respect of a period of at least 12 months from the date of approval of the financial statements.

During the year the company has made a loss of £1,541,845 (2019: £1,908,895) and had net current liabilities of £4,293,285 (2019: £5,139,409) and net assets of £3,928,170 (2019: £5,470,015). The ultimate parent company has confirmed that it intends to provide financial support for at least 12 months from the date of the approval of the financial statements, if required. The directors believe that it is therefore appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from financial support being withdrawn.

1.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised in respect of specialised cleaning services provided to customers at the point at which the service is provided and the following conditions are satisfied:

- The amount of revenue 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.

1.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% - 15% straight line
Plant and machinery	- 10% - 32% straight line
Motor vehicles	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

1.8 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.9 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGUs) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.10 Valuation of investments

Investments in subsidiaries are measured at cost less provision for impairment.

1.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.12 Debtors

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

1.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.14 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.16 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

1.17 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.18 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the

contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.19 Taxation

Tax is recognised in the profit and loss account, except that a charge 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.

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 generates income.

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 allowances 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 differences between the fair values 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.

1.20 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.21 Government grants

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

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where the grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Houlihan Lokey Financial Advisors, inc. were retained by US Ecology, Inc (the ultimate parent company) to express their conclusions on the fair value of certain identifiable tangible assets. As a result the assets were impaired by £639,101

Stock is reviewed annually for any potential indicators of impairment taking into account the condition of the stocks and the historic utilisation of the stock. Where required an impairment is recognised in the profit and loss account.

The debtors are reviewed for any potential irrecoverable amounts and, where applicable, a specific provision for doubtful debts is raised.

As part of the acquisition of NRC WWS Ltd (formerly known as Clean Line Waste Water Solutions Limited) the company recorded a contingent liability for considerations to be paid on performance targets specified in the Sales and Purchase Agreement. The accuracy of contingent considerations requires management to make judgements and estimates around the future performance of the relevant business to determine likely future payments. Estimates payments are calculated using known results and financial projections.

3. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Rigwork	-	2,130,289
Offshore	**1,541,671**	1,549,284
Civil	**1,148,350**	1,902,056
	2,690,021	5,581,629

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	**2,432,478**	5,423,633
Rest of the world	**257,543**	157,996
	2,690,021	5,581,629

NRC Environmental Services (UK) Limited

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4. Operating loss

The operating (loss) is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets -owned	**539,550**	990,159
Depreciation of tangible fixed assets - held under hire purchase contracts	**-**	34,813
Impairment charge	**639,101**	-
Profit on sale of tangible fixed assets	**(22,700)**	(24,772)
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	**15,000**	12,000
Operating leases – property	**274,310**	385,205

5. Government Grant

	2020 £	2019 £
Job retention scheme	**305,248**	-

6. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	**1,675,689**	2,196,746
Social security costs	**138,318**	228,254
Cost of defined contribution scheme	**49,940**	97,217
	1,863,947	2,522,217

The company has a total of 54 (2019 - 61) monthly average number of employees consisting of 43 operational staff members (2019 - 52) and 11 administration staff members (2019 - 9).

7. Directors' remuneration

During the year no director received remuneration (2019 - £Nil) from the company. Remuneration paid through NRC Servicing Limited is disclosed in the accounts of that company.

8. Interest payable and similar expenses

	2020 £	2019 £
Finance leases and hire purchase contracts	129	3,971

9. Taxation

	2020 £	2019 £
Corporation tax		
Adjustments in respect of previous periods	-	-
	-	-
Foreign tax in respect of prior periods	-	-
	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(257,448)	-
Effect of tax rate change on opening balance	-	-
Total deferred tax	(257,448)	-
Taxation on loss on ordinary activities	(257,448)	-

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	**(1,799,293)**	(1,908,895)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	**(341,866)**	(362,690)
Effects of:		
Expenses not deductible for tax purposes	**795**	18,000
Fixed asset differences	**165,512**	47,744
Remeasurement of deferred tax for changes in tax rates	**(78,971)**	-
Group relief	**-**	152,120
Deferred tax not recognised	**(2,918)**	144,826
Total tax credit for the year	**(257,448)**	-

Deferred tax assets not provided for in the financial statements are as follows:

	2020	2019
Fixed asset timing difference	**261,826**	259,416
Short term timing difference	**753**	2,007
Tax loss	**405,755**	415,880
Total tax charge for the year	**668,334**	677,303

There are no unprovided deferred tax liabilities

NRC Environmental Services (UK) Limited

Notes to the Financial Statements
For the Year Ended 31 December 2020

10. Exceptional costs - Administrative expenses

	2020 £	2019 £
Redundancy	389,005	119,554
	389,005	119,554

11. Tangible Fixed Assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2020	2,991,866	16,022,850	508,308	19,523,024
Disposals	(2,687)	(230,055)	(193,302)	(426,044)
At 31 December 2020	2,989,179	15,792,795	315,006	19,096,980
Depreciation				
At 1 January 2020	1,403,401	14,930,967	508,308	16,842,676
Charge for the year	255,546	284,004	-	539,550
Disposals	(2,687)	(230,055)	(193,302)	(426,044)
Transfer between categories	258,758	(258,758)	-	-
Impairment	627,647	11,454	-	639,101
At 31 December 2020	2,542,665	14,737,612	315,006	1,501,697
Net book value				
At 31 December 2020	446,514	1,055,183	-	1,501,697
At 31 December 2019	1,588,465	1,091,883	-	2,680,348

During the year, Houlihan Lokey Financial Advisors, inc. were retained by US Ecology, Inc (the ultimate parent company) to express their conclusions on the fair value of certain identifiable tangible assets. As a result the assets were impaired by £639,101

NRC Environmental Services (UK) Limited

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12. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2020	7,929,076
Reduction in contingent consideration payable	(1,218,750)
Legal fees	9,432
At 31 December 2020	**6,719,758**

Investment in subsidiary undertakings as disclosed in note 23 refer to subsidiary undertakings.

13. Stocks

	2020 £	2019 £
Finished goods and goods for resale	**368,222**	364,380

The difference between purchase price or production cost of stocks and their replacement cost is not material.

14. Debtors

	2020 £	2019 £
Trade debtors	**646,678**	1,228,947
Amounts owed by group undertakings	**2,361,186**	2,276,431
Other debtors	**29,304**	70,368
Deferred Tax	**257,448**	-
Prepayments and accrued income	**160,218**	317,879
	3,454,834	3,983,625

15. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	**64,061**	174,252

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	**115,113**	153,612
Amounts owed to group undertakings	**5,939,767**	5,990,640
Other taxation and social security	**192,390**	147,358
Deferred Contingent Consideration	**1,815,600**	3,018,750
Accruals and deferred income	**117,532**	261,306
	8,180,402	9,571,666

17. Reserves

Share premium account

The share premium arose on the purchase of the company's shares by the shareholders.

Capital redemption reserve

The capital redemption reserve arose on a restructure of the share capital in 2014.

Profit and loss account

The profit and loss account represents the cumulative historical profits and losses to date less any dividends historically paid.

18. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
2,505,000 (2019 - 2,505,000) Ordinary shares of £0.10 each	**250,500**	250,500

The shares have equal voting, dividend and capital distribution rights.

19. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £49,940 (2019: £97,217). Contributions totalling £8,971 (2019: £nil) were payable to the fund at the balance sheet date and are included in creditors.

20. Commitments under operating leases - lessee

At 31 December 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	**424,777**	423,318
Later than 1 year and not later than 5 years	**1,103,406**	1,559,205
Later than 5 years	**-**	-
	1,528,183	1,982,523

21. Related party transactions

The company has taken advantage of the exemption not to disclose transactions with other wholly owned group companies.

22. Parent and ultimate controlling party

The company's ultimate parent undertaking and controlling party is US Ecology Inc, which is incorporated in the USA. The company's immediate parent company is Sureclean Holdco Limited (UK) which is incorporated in the United Kingdom. Consolidated financial statements, including the company, are prepared by the ultimate parent undertaking, copies of which are available publicly on the SEC government website. CIK number 0001783400.

23. Subsidiary Undertakings

The following were subsidiary undertakings of the company:

Name	Class of Shares	Holding	Principal Activity
Sureclean AS	Ordinary	100%	The company is dormant
NRC WWS Ltd	Ordinary	100%	The company maintains and repairs drains

Name	Registered Office
Sureclean AS	C/o Leif Kielsen, Regnskapskontor, Hanaveien 4, 4327 Sandnes, Norway
NRC WWS Ltd	Unit D Russell Road, Rock Ferry, Wirral, CH42 1LU