

Registration number: 04903360

# CAN Geotechnical Limited

Annual Report and Financial Statements

for the Period from 6 April 2020 to 4 April 2021



## **CAN Geotechnical Limited**

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## **CAN Geotechnical Limited**

### **Company Information**

**Directors**

H Farnell  
A S Draper  
B J Foulger  
G W Tuckwell  
A A Ryder  
C M England  
M Richardson

**Company secretary** S Evans

**Registered office**

Spring Lodge  
172 Chester Road  
Helsby  
Cheshire  
WA6 0AR  
England

**Auditors**

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

## **CAN Geotechnical Limited**

### **Strategic Report for the Period from 6 April 2020 to 4 April 2021**

The directors present their strategic report for the period from 6 April 2020 to 4 April 2021.

#### **Principal activity**

The principal activity of CAN Geotechnical Limited ("the company") is specialist geotechnical and civil engineering services.

#### **Fair review of the business**

The directors are satisfied with the performance of the company for the year and with the balance sheet position at the year end.

Our forward order book looks strong, and despite challenging trading conditions, we expect to maintain or enhance our market position.

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

Turnover increased substantially compared to the prior year with continuing improvements in operating profit and margin. Turnover was £11.4m (2020: £9.2m) and an operating profit of £0.2m (2020: £0.1m), giving an operating profit margin of 2% (2020: 1%).

#### **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. Examples of KPIs monitored include:

- Staff wellbeing;
- 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;
- 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.

## **CAN Geotechnical Limited**

### **Strategic Report for the Period from 6 April 2020 to 4 April 2021**

#### **Corporate responsibility**

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

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

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

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

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

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

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

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

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

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

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

## CAN Geotechnical Limited

### Strategic Report for the Period from 6 April 2020 to 4 April 2021

#### 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, the directors are committed to all the components of Investors In People and seek to be an employer of choice. We aim to hire the most talented of people; we communicate widely and openly, share our Vision and Principles, we train our people and empower them. In this way we plan to look after our clients' needs in an exemplary fashion. The directors monitor people metrics, including retention statistics to identify any trends or issues.

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

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

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

Approved by the Board on 01/10/2021 and signed on its behalf by:



A A Ryder  
Director

**CAN Geotechnical Limited**

**Directors' Report for the Period from 6 April 2020 to 4 April 2021**

The directors present their report and the financial statements for the period from 6 April 2020 to 4 April 2021.

**Directors of the company**

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

H Farnell (appointed 1 July 2020)

A S Draper

B J Foulger (appointed 1 July 2020)

G W Tuckwell

A A Ryder

C M England (appointed 1 July 2020)

M Richardson

**Dividends**

In the financial year no dividends were paid to RSK Environment Ltd (2020: Nil).

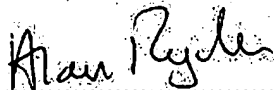
**Disclosure of information to the auditors**

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.

**Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of UHY Ross Brooke as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 01/10/2021 and signed on its behalf by:



A A Ryder  
Director

## **CAN Geotechnical Limited**

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

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

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

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

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



## **CAN Geotechnical Limited**

### **Independent Auditor's Report to the Members of CAN Geotechnical Limited**

#### **Opinion**

We have audited the financial statements of CAN Geotechnical Limited (the 'company') for the period from 6 April 2020 to 4 April 2021, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 4 April 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

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

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 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.

## **CAN Geotechnical Limited**

### **Independent Auditor's Report to the Members of CAN Geotechnical Limited**

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

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

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

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

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

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

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

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 6], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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:

## CAN Geotechnical Limited

### Independent Auditor's Report to the Members of CAN Geotechnical Limited

Based on our understanding of the company and the industry in which it operates, we identified the principal risks of non-compliance with laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and profit. Audit procedures performed included: comparison of the financial statement disclosures to underlying supporting documentation, enquiries of management, and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.


There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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

#### Use of our report

This report is made solely to the 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

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

Date: 7/10/21

# CAN Geotechnical Limited

## Profit and Loss Account for the Period from 6 April 2020 to 4 April 2021

	Note	2021 £	2020 £
Turnover	3	11,376,962	9,219,678
Cost of sales		<u>(10,618,634)</u>	<u>(8,880,716)</u>
Gross profit		758,328	338,962
Administrative expenses		(957,422)	(259,171)
Other operating income	4	<u>436,908</u>	<u>-</u>
Operating profit	6	237,814	79,791
Other interest receivable and similar income	7	-	4,461
Interest payable and similar expenses	8	<u>(1,492)</u>	<u>-</u>
Profit before tax		236,322	84,252
Tax on profit	12	<u>(45,794)</u>	<u>(47,069)</u>
Profit for the financial period		<u><u>190,528</u></u>	<u><u>37,183</u></u>

The above results were derived from continuing operations.

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

**CAN Geotechnical Limited**

**Statement of Comprehensive Income for the Period from 6 April 2020 to 4 April 2021**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit for the period	<u>190,528</u>	<u>37,183</u>
Total comprehensive income for the period	<u>190,528</u>	<u>37,183</u>

**CAN Geotechnical Limited**

**(Registration number: 04903360)  
Balance Sheet as at 4 April 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	440,156	470,175
<b>Current assets</b>			
Stocks	14	481,165	388,832
Debtors	15	8,215,980	5,091,814
Cash at bank and in hand		-	1,139,059
		<u>8,697,145</u>	<u>6,619,705</u>
<b>Creditors: Amounts falling due within one year</b>	16	<u>(3,673,646)</u>	<u>(1,867,757)</u>
<b>Net current assets</b>		<u>5,023,499</u>	<u>4,751,948</u>
<b>Total assets less current liabilities</b>		<u>5,463,655</u>	<u>5,222,123</u>
<b>Creditors: Amounts falling due after more than one year</b>	16	<u>(51,004)</u>	<u>-</u>
<b>Net assets</b>		<u><u>5,412,651</u></u>	<u><u>5,222,123</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	100	100
Profit and loss account		<u>5,412,551</u>	<u>5,222,023</u>
<b>Shareholders' funds</b>		<u><u>5,412,651</u></u>	<u><u>5,222,123</u></u>

Approved and authorised by the Board on 01/10/2021 and signed on its behalf by:



A A Ryder  
Director

**CAN Geotechnical Limited**

**Statement of Changes in Equity for the Period from 6 April 2020 to 4 April 2021**

	Share capital £	Profit and loss account £	Total £
At 1 April 2019	100	5,184,840	5,184,940
Profit for the period	-	37,183	37,183
At 5 April 2020	100	5,222,023	5,222,123
	Share capital £	Profit and loss account £	Total £
At 6 April 2020	100	5,222,023	5,222,123
Profit for the period	-	190,528	190,528
At 4 April 2021	100	5,412,551	5,412,651

## **CAN Geotechnical Limited**

### **Notes to the Financial Statements for the Period from 6 April 2020 to 4 April 2021**

#### **1 General information**

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

The address of its registered office is:

Spring Lodge  
172 Chester Road  
Helsby  
Cheshire  
WA6 0AR  
England

#### **2 Accounting policies**

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

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

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

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

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

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

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

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

The company, being a member of a group which prepares publicly available consolidated financial statements, has taken advantage of the exemption granted in FRS 102 not to present a cash flow statement and certain information about financial instruments. The consolidated financial statements in which this company's accounts are included are those of RSK Group Limited whose registered office is Spring Lodge, 172 Chester Road, Helsby, Cheshire, WA6 0AR.



## CAN Geotechnical Limited

### Notes to the Financial Statements for the Period from 6 April 2020 to 4 April 2021

#### 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. These funds comprise a £500,000,000 committed acquisition facility and a further £500,000,000 incremental acquisition facility. The Group has a £40,000,000 revolving credit facility with NatWest bank. The Group continues to comply with all debt covenants that are in place.

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 Company 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 Company will continue to manage its business risks successfully despite uncertain economic conditions in some business sectors and countries.

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

#### Judgements

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

#### Key sources of estimation uncertainty

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

##### (i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. At the year end the carrying amount was £1,449,976 (2020: £1,286,634).

##### (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. At the year end the carrying amount was £2,108,775 (2020: £1,032,458).

#### Revenue recognition

Turnover comprises the fair value of the consideration received 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.

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.

## **CAN Geotechnical Limited**

### **Notes to the Financial Statements for the Period from 6 April 2020 to 4 April 2021**

#### **Foreign currency transactions and balances**

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

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

#### **Tax**

The tax expense for the period comprises current tax payable.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **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 as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	4 years
Motor vehicles	4 years
Fixture and fittings	4 years

#### **Cash and cash equivalents**

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

#### **Trade debtors**

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

#### **Stocks**

Stocks are stated at the lower of cost and 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 the profit and loss.

## **CAN Geotechnical Limited**

### **Notes to the Financial Statements for the Period from 6 April 2020 to 4 April 2021**

#### **Trade creditors**

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

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

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

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

#### **Leases**

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

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

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

#### **Share capital**

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

#### **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.

#### **Research and development**

Research and development expenditure is written off in the year in which it is incurred.

## CAN Geotechnical Limited

### Notes to the Financial Statements for the Period from 6 April 2020 to 4 April 2021

#### Financial instruments

##### *Classification*

The company enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities such as bank and cash balances, trade and other accounts receivable and payable, loans from banks and other third parties and loans to and from related parties.

##### *Recognition and measurement*

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the transaction price and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, 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, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at the market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

#### 3 Revenue

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

	2021 £	2020 £
Rendering of services	<u>11,376,962</u>	<u>9,219,678</u>

#### 4 Other operating income

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

	2021 £	2020 £
Government grants - CJRS	368,639	-
R&D tax credits	<u>68,269</u>	<u>-</u>
	<u>436,908</u>	<u>-</u>

#### 5 Other gains and losses

The analysis of the company's other gains and losses for the period is as follows:

	2021 £	2020 £
Gain on disposal of property, plant and equipment	<u>46,911</u>	<u>12,988</u>

#### 6 Operating profit

Arrived at after charging/(crediting)

**CAN Geotechnical Limited**

**Notes to the Financial Statements for the Period from 6 April 2020 to 4 April 2021**

	2021 £	2020 £
Depreciation expense	309,371	458,556
Foreign exchange losses	-	968
Profit on disposal of property, plant and equipment	<u>(46,911)</u>	<u>(12,988)</u>

**7 Other interest receivable and similar income**

	2021 £	2020 £
Interest income on bank deposits	<u>-</u>	<u>4,461</u>

**8 Interest payable and similar expenses**

	2021 £	2020 £
Interest on bank overdrafts and borrowings	<u>1,492</u>	<u>-</u>

# **CAN Geotechnical Limited**

## **Notes to the Financial Statements for the Period from 6 April 2020 to 4 April 2021**

### **9 Staff costs**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,525,285	3,292,921
Social security costs	370,074	313,827
Pension costs, defined contribution scheme	63,327	84,489
Other employee expense	<u>3,961</u>	<u>382</u>
	<u><b>3,962,647</b></u>	<u><b>3,691,619</b></u>

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Field staff	137	140
Office staff	<u>59</u>	<u>43</u>
	<u><b>196</b></u>	<u><b>183</b></u>

## CAN Geotechnical Limited

### Notes to the Financial Statements for the Period from 6 April 2020 to 4 April 2021

#### 10 Directors' remuneration

The directors' remuneration for the period was as follows:

	2021 £	2020 £
Remuneration	164,601	133,391
Contributions paid to money purchase schemes	<u>6,745</u>	<u>2,238</u>
	<u>171,346</u>	<u>135,629</u>

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

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>4</u>

#### 11 Auditors' remuneration

In respect of the year ended 4 April 2021, audit fees of £20,000 (2020: £20,000) have been met by RSK Group Limited, the company's ultimate parent company. The consolidated accounts of that company disclose remuneration receivable by the company's and the group's auditors for all services provided.

# **CAN Geotechnical Limited**

## **Notes to the Financial Statements for the Period from 6 April 2020 to 4 April 2021**

### **12 Taxation**

Tax charged/(credited) in the income statement

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	<u>45,794</u>	<u>47,069</u>

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>236,322</u>	<u>84,252</u>
Corporation tax at standard rate	44,901	16,008
Effect of expense not deductible in determining taxable profit (tax loss)	(9,385)	(4,805)
Tax increase from effect of capital allowances and depreciation	10,278	29,644
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>-</u>	<u>6,222</u>
Total tax charge	<u>45,794</u>	<u>47,069</u>



# CAN Geotechnical Limited

## Notes to the Financial Statements for the Period from 6 April 2020 to 4 April 2021

### 13 Tangible assets

	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 6 April 2020	333,962	4,664,913	768,102	5,766,977
Additions	27,252	155,094	109,803	292,149
Disposals	-	(45,300)	(120,292)	(165,592)
At 4 April 2021	<u>361,214</u>	<u>4,774,707</u>	<u>757,613</u>	<u>5,893,534</u>
<b>Depreciation</b>				
At 6 April 2020	272,917	4,338,865	685,020	5,296,802
Charge for the period	32,512	206,578	83,078	322,168
Eliminated on disposal	-	(45,300)	(120,292)	(165,592)
At 4 April 2021	<u>305,429</u>	<u>4,500,143</u>	<u>647,806</u>	<u>5,453,378</u>
<b>Carrying amount</b>				
At 4 April 2021	<u>55,785</u>	<u>274,564</u>	<u>109,807</u>	<u>440,156</u>
At 5 April 2020	<u>61,045</u>	<u>326,048</u>	<u>83,082</u>	<u>470,175</u>

### 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:

	2021 £	2020 £
Motor vehicles	<u>70,477</u>	<u>-</u>
<b>14 Stocks</b>		
	2021 £	2020 £
Work in progress	2,422	65,117
Other inventories	<u>478,743</u>	<u>323,715</u>
	<u>481,165</u>	<u>388,832</u>

# CAN Geotechnical Limited

## Notes to the Financial Statements for the Period from 6 April 2020 to 4 April 2021

### 15 Debtors

	Note	2021 £	2020 £
Trade debtors		1,449,976	1,286,634
Amounts owed by related parties		4,356,096	2,554,631
Other debtors		207,687	18,147
Prepayments		25,480	169,274
Accrued income		2,108,775	1,032,458
Income tax asset		67,966	30,670
		<u>8,215,980</u>	<u>5,091,814</u>

### 16 Creditors

	Note	2021 £	2020 £
<b>Due within one year</b>			
Loans and borrowings	19	393,507	-
Trade creditors		877,423	814,516
Amounts due to related parties		1,122,259	119,562
Social security and other taxes		751,480	580,162
Outstanding defined contribution pension costs		25,600	16,380
Other payables		76,858	98,709
Accruals		426,519	191,359
Income tax liability		-	47,069
		<u>3,673,646</u>	<u>1,867,757</u>
<b>Due after one year</b>			
Loans and borrowings	19	<u>51,004</u>	<u>-</u>

### 17 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 £63,327 (2020 - £84,489).

Contributions totalling £25,600 (2020 - £16,380) were payable to the scheme at the end of the period and are included in creditors.

**CAN Geotechnical Limited**

**Notes to the Financial Statements for the Period from 6 April 2020 to 4 April 2021**

**18 Share capital**

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

	<b>2021</b>		<b>2020</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**19 Loans and borrowings**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Non-current loans and borrowings</b>		
Hire purchase contracts	<u>51,004</u>	<u>-</u>

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current loans and borrowings</b>		
Bank overdrafts	372,970	-
Hire purchase contracts	<u>20,537</u>	<u>-</u>
	<u>393,507</u>	<u>-</u>

**20 Obligations under leases and hire purchase contracts**

**Operating leases**

The total of future minimum lease payments is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Not later than one year	14,675	42,675
Later than one year and not later than five years	<u>-</u>	<u>14,000</u>
	<u>14,675</u>	<u>56,675</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £43,000 (2020 - £Nil).

## **CAN Geotechnical Limited**

### **Notes to the Financial Statements for the Period from 6 April 2020 to 4 April 2021**

#### **21 Commitments**

##### **Capital commitments**

Capital commitments are for capital expenditure not provided in the financial statements.

The total amount contracted for but not provided in the financial statements was £Nil (2020 - £76,000).

#### **22 Contingent liabilities**

The company is party to a facility agreement relating to funds provided by Ares Management and is a cross guarantor of all obligations together with Acies Civil And Structural Limited, ADAS Silverdale Limited, ATP Architects + Surveyors Limited, Binnie & Partners Limited, Binnies UK Limited, BTS Group Limited, C. J. Associates Geotechnical Limited, C.R. Civil Engineering Limited, CAN Renewables Limited, CAN Structures Limited, CAN UK Holdings Limited, Central Alliance Limited, Central Alliance Pre Construction Services Ltd, Cognica Limited, Consents Solutions Ltd, Copeland Wedge Associates Ltd, CRCE Plant Limited, Drilling Supplies & Hire Services Limited, DVCR Group Limited, Dynamic Sampling UK Limited, E.D.P. Health, Safety And Environment Consultants Limited, Ecologia Environmental Solutions Holdings Limited, Ecologia Environmental Solutions Limited, EDP Consultants Ltd, Entrainment Limited, Enviresearch Limited, Enviresearch Technologies Limited, Envirolab Limited, Geocore Site Investigations Limited, Geotechnical & Structural Services (Holdings) Limited, Geotechnical And Structural Services Limited, Ground Heat Installations Limited, Headland Archaeology (UK) Limited, Headland Group Limited, Ian Farmer Associates (1998) Limited, Interactive Comms Limited, J & A Pelling Ltd, JB Site Investigations Limited, KMGP Limited, Nature Positive Limited, Nicholas O'Dwyer & Company Limited, Nicholas O'Dwyer Design & Development Limited, Nicholas O'Dwyer Limited, Nicholas O'Dwyer Limited, Non Destructive Testing Services Limited, PA Group (UK) Limited, PB Drilling Limited, Pellings LLP, Pendragon Holdings Limited, Pharos Field Engineering Services Limited, Pharos Generator Services Limited, Pharos Power Support Group Limited, R. W. Management (Holdings) Ltd, Remedx Limited, ROCP Limited, RSK (Ireland) Limited, RSK Acoustics Limited, RSK ADAS Limited, RSK Biocensus Limited, RSK Environment Limited, RSK Group Limited, RSK Integrated Waste Solutions Limited, RSK Investments Limited, RSK Land & Development Engineering Limited, RSK Orbital Limited, RSK Project Services Limited, RSK Radiological Limited, RSK Raw Limited, RSKW Ltd, Salix River & Wetland Services Limited, Silcock Leedham Consulting Engineers Limited, Silcock Leedham Group Ltd, Skyvision International Limited, Stephenson Halliday Limited, Structural Soils Limited, TBF Contracting Limited, TBF Scaffolding Ltd, TBF Traffic Ltd, Twig Trading Limited, Up And Under (Specialist Contracts) Limited, Up And Under Group Limited, Up And Under Limited, Verisys Limited, Waldrams Limited, Water Research Centre Limited and Zero Energy Design Ltd.

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

At 4th April 2021, the net exposure to the group stood at £293,793,000 (2020: £201,788,000).

#### **23 Parent and ultimate parent undertaking**

The company's immediate parent is CAN UK Holdings Limited, incorporated in Scotland.

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

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

## **CAN Geotechnical Limited**

### **Notes to the Financial Statements for the Period from 6 April 2020 to 4 April 2021**

#### **24 Non adjusting events after the financial period**

The Group agreed a new seven year financing agreement with Ares Management in July 2021. These funds comprise a £500,000,000 committed acquisition facility and a further £500,000,000 incremental acquisition facility. The Group has a £40,000,000 revolving Credit Facility with NatWest bank which has been extended for a further seven years.

The company declared an interim dividend of £3,000,000 on 14th July 2021.