

SLR Consulting Limited

Annual Report and Financial Statements

For the Year ended 30 December 2022

Company Number 03880506

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SLR Consulting Limited

**Annual report and financial statements
for the Year ended 30 December 2022**

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Directors

A J Edwards
N C Penhall

Registered office

7 Wornal Park, Menmarsh Road, Worminghall, Aylesbury, Buckinghamshire, HP18 9PH

Company number

03880506

Auditor

BDO LLP, Level 12, Thames Tower, Station Road, Reading, RG1 1LX

SLR Consulting Limited
Strategic report
for the Year ended 30 December 2022

This strategic report sets out for stakeholders the environment in which SLR Consulting Limited (“the Company”) exists, the strategy that the Board of directors (“the Board”) set in the context of that environment and the resulting performance for the 52 week period ended 30 December 2022. Reference to “year” throughout the financial statements refers to the aforementioned 52 week period.

Operating structure and environment

The principal activity of the Company is to provide environmental and advisory consultancy services from its offices spread across the UK.

The key elements of the Company’s success are the diversity of services offered and its exposure to a variety of sectors. The Company’s ‘one team’ culture combined with a clear and efficient management structure, strong support services and accounting functions strengthens the Company’s successful operations.

Every member of the environmental and advisory teams belongs to one of a number of service lines, driven by technical discipline and work together collaboratively to provide client solutions. Working alongside the service line structure are client sector teams aligned to our principal focus industries: Energy, Built Environment, Mining & Minerals, Infrastructure, Industry, and Power. The sector teams provide client leadership and ensure the Company understands and interprets industry trends.

Principal risks and uncertainties

The Company has always sought to minimise risk in all aspects of its operations. Primary risks and risk mitigation measures are briefly considered below. Further information on risks and uncertainties are included in the Report of the directors on page 5.

Strategic risks are limited in the Company’s business. It has a focused strategy, closely aligned with its capabilities and is operating in growing markets. The environmental sector is largely regulatory-driven, which helps mitigate the potential exposure to political or general economic risk. Advisory services are allied to the environmental sector and driven by changes (growth or decline) in sectors or economies. The growing marketplace associated with climate change, the rapidly evolving low carbon economy and stakeholder focus on diverse ESG issues provides good opportunities to expand brand recognition. The most significant risk is one of reputation and the Company works hard to mitigate this risk by hiring and retaining high quality staff and applying appropriate quality management procedures. The nature of the environmental sector tends to attract staff with high ethical standards. This is reinforced by the Company ethos and procedures. The overall strategic risk and associated ethical risk is considered low.

The management team has a track record of successful leadership and has considerable strength and depth. The Company has a fast-growing and highly motivated team of professional staff, many of whom have shareholdings in the Company’s ultimate parent company, Solar Holdings Topco Limited. Risks associated with both management and key employees are considered low.

The Company normally undertakes work under its Standard Conditions of Engagement. Where this is not the case, all non-standard contracts are reviewed by either a dedicated contracts review team, nominated senior manager or director. If appropriate, non-standard contracts are referred to the Company’s legal advisors to assess and contain the risk.

The Company has a professional HR team, which works with the Company’s legal advisors to minimise risks associated with employment law. Notwithstanding the above, certain sectors of the Company’s business, such as development clients, can be litigious and there is always some risk with employees. The overall legal and compliance risk is considered low-to-moderate.

Financial risks mainly centre on the leveraged nature of Solar Holdings Bidco Limited, a parent company which holds the group’s bank facility with a portion sitting within Solar Holdings US Bidco Limited. The Company has a robust finance function which minimises systemic risk. Overall, the financial risks of normal operations are considered low.

SLR Consulting Limited
Strategic report
for the Year ended 30 December 2022 (continued)

Principal risks and uncertainties (continued)

The Company's normal operations expose it to a variety of financial risks including the foreign currency exchange rates, credit risk and liquidity risk. These are discussed in the Report of the directors on page 5. These risks are monitored by the Board and were not considered to be significant at the balance sheet date.

Overall Management considers that risk within the business is well managed, although Management continues to monitor the risk profile as the Company develops. More detail on internal control and risk management is outlined in the Report of the Directors below on page 5.

Regarding the current conflict in Ukraine, the Company has no material exposure to Ukraine and Russia with respect to both clients and the supply chain, although the Company will continue to monitor the situation and any relevant impacts on the wider business.

The Company continues to manage the impact of cost inflation, in particular on its salary related costs, proactively. It does this by regularly reviewing its salary costs, to ensure these remain competitive, by increasing its client rates at least annually, to ensure these incorporate increases in its cost base and by ensuring that fixed or capped price quotes incorporate allowance for cost increases, to avoid detrimental impact to its profitability.

Strategy

The Company's overall strategy is evaluated and updated on an ongoing annual basis by the leadership team and directors of the business.

During the current year the Board has reaffirmed the Company's ambition to become the leading consultancy for environmental and advisory solutions. To achieve this it will continue to develop the five principal elements of its activities: culture, clients, people, business and communities.

The Company's strategy is focused on providing high quality environmental consultancy and advisory services to clients with whom it seeks to develop a long-term relationship. The strategy is based on organic growth, complemented by the selective acquisition of high calibre companies, in order to strengthen and extend our technical, sectoral and geographic coverage.

The Company's continued focus on key sectors, together with nurturing and developing client relationships, all within a collaborative 'one team' culture will, we believe, lead to superior revenue and profit growth.

The strategy and plans have been shared with all employees and the Board provides regular updates on progress to key stakeholders.

Section 172 statement

Section 172 of the Companies Act 2006 requires the Directors to take into consideration the interests of stakeholders and other matters in their decision making. The success of our business is dependent on the support of all of our stakeholders. Our business teams all have extensive engagement with their own unique stakeholders as well as other regional operations in the Group. These stakeholders will include, but are not restricted to, clients, vendors, employees and shareholders. The SLR Group's governance framework delegates authority for local decision-making to each region up to defined levels of cost and impact which allows the individual businesses to take account of the needs of their own stakeholders in their decision making.

SLR Consulting Limited
Strategic report
for the Year ended 30 December 2022 (continued)

Section 172 statement (continued)

Management regularly reviews the Company's relationship with its principal stakeholders and how it engages with them. This is achieved through information provided by the wider management team and also by direct engagement with stakeholders themselves. An example is client engagement, which is direct and ongoing across all levels of the organisation, ensuring continual feedback is sought and acted upon, where appropriate bespoke account management is also put in place for some clients and client sectors. On a monthly basis, the Directors of SLR Consulting Limited engage with operational managers and other key members of staff to conduct a formal business review. This information is used to assess the impact of decisions on each stakeholder group as part of its own decision-making process.

The Directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term. Where possible, decisions are carefully discussed with affected groups and are therefore fully understood and supported when taken.

Examples of how the Company has further enhanced its engagement with stakeholders on the significant events and decisions in the year include the following:

- The business implements a review and update of strategy each year. This impacted shareholders, employees, clients and vendors. This ensures all stakeholders are engaged in the medium and long term plans of the business. Regular progress updates are communicated to staff to ensure engagement is maintained.
- After a detailed analysis of requirements and processes mapping, an accounting system upgrade was launched in 2021 in another group company, with SLR Consulting being upgraded in 2022. The new system offers additional functionality and information, such as aged WIP reporting which will be driven by modified invoicing procedures. This has direct and indirect benefits to the employees and shareholders.
- In April 2023 a new SLR Brand was launched for which trademark certificates were registered for both the logo and trademark. This change better reflects the global nature and varied service offerings of SLR, with both aspects increasing in recent years following numerous acquisitions.

Performance

The Company's operations include an extensive range of technical offerings and have a wide sector exposure. This diversity, combined with the fact that a large number of projects undertaken are international in nature, provides resilience and mitigates the risk of adverse impact of any sector-specific downturns. In the Year ended 30 December 2022 profit before tax was up to £4.5m from £3.1m in the prior year. Turnover was £52.3m, a £12.4m increase on the prior year figure of £39.9m.

Based on the average number of technical staff during the year, the turnover per technical employee was £83,608 in the 12 months to 30 December 2022 vs £83,556 for the prior year to 31 December 2021. Net assets increased from £46.5 million to £50.2 million in the current year.

SLR Consulting Limited

**Strategic report
for the Year ended 30 December 2022 (*continued*)**

Outlook

The pipeline of work continues to be strong and the prospects for further growth are becoming tangible as the year progresses.

The results of the Company for the year are set out on page 14 and balance sheet is set out on page 15. The statement of comprehensive income is set out on page 14 and shows the profit on ordinary activities after taxation for the year.

On behalf of the Board



N C Penhall
Director
28 September 2023

SLR Consulting Limited
Report of the directors
for the Year ended 30 December 2022

The directors present their report together with the audited financial statements for the Year ended 30 December 2022. The comparative numbers are for the year ended 31 December 2021. This report should be read in conjunction with the Strategic report.

Results and dividends

The statement of comprehensive income is set out on page 14 and shows the profit for the year.

No dividends were paid during the year (Year ended 31 December 2021 - £Nil).

Directors

The directors of the Company during the year were as follows:

A J Edwards
J M Green – resigned 25 January 2023
P R MacKellar – resigned 1 November 2022
N C Penhall

At 30 December 2022, third party indemnity insurance for the benefit of the Company's directors was in force.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

SLR Consulting Limited

Report of the directors for the Year ended 30 December 2022 (*continued*)

Internal control and risk management

The Company has always sought to minimise risk in all aspects of its operations. Primary risks and risk mitigation measures are summarised in the Strategic report and detailed later in this report. In summary, many of the key areas of risk (e.g. strategic, legal and compliance, financial) are considered to be low or low to moderate.

The Company's operations expose it to a variety of financial risks including the effects of foreign currency exchange rates, credit risk and liquidity risk. These are monitored by the Directors and were not considered to be significant at the balance sheet date. The Group's policies towards each of these individual risks are addressed below.

Credit risk

The Company's policy in respect of credit risk is to require appropriate credit checks on potential customers before projects commence.

Cash flow and interest rate risk

The Company does not have significant borrowings and the interest rate on borrowings is at market rate and the Company's policy is to keep the borrowings within defined limits such that the risk that could arise from a significant change in interest rates would not have a material impact on cash flows. The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the performance of the Company.

Liquidity risk

The Company's policy has been to ensure continuity of funding through acquiring an element of the fixed assets under hire purchase contracts and finance leases and arranging funding for operations via the Group's banking facilities. The Company has access to the Group's bank facilities which are committed to 2029.

Foreign currency risk

The Company is exposed in its trading operations to the risk of changes in foreign currency exchange rates. The main foreign currencies in which the Company operates are the US Dollar and the Euro. The Company does not use derivative financial instruments to mitigate foreign currency risk.

Employment policies

The Company's business is based on attracting, retaining, and motivating staff of the highest technical quality, who are also commercial in their approach and committed to the strategy and growth of the Company. The Board recognises that the retention and motivation of existing employees and the attraction of new high calibre employees is critical in a professional services company. As such, the Company uses a range of dedicated and sophisticated methods to achieve this, including professional training and development, a flexible approach to working hours and practices, and a wide range of staff incentives incorporating government approved ownership schemes.

SLR Consulting Limited

Report of the directors for the Year ended 30 December 2022 (*continued*)

Employment policies (*continued*)

Employment of disabled persons

Based on information provided by applicants, and interviews conducted, the Company has received applications for employment from disabled persons during the year. These applicants were assessed in accordance with the Company's equal opportunities policy, which confirms the Company's commitment to apply employment criteria that are fair, equitable and consistent regardless of an applicant's race, creed, colour, nationality, sex or disability. Existing disabled staff are treated in accordance with the Company's equal opportunities policy and are actively encouraged to partake in the career development and training programmes, which are available to all staff.

Employee involvement

As a professional services firm with wide employee ownership, management is committed to providing all its employees with regular briefings on the development of the Company and key issues affecting its staff. This is achieved using IT systems, and direct meetings and discussions.

The Company has an intranet site, SLR Connect, which provides a wide range of information to all staff including all employment policies, detailed financial information, news on fellow employees, company developments, etc. In addition, the management and senior technical staff convene regular staff meetings to update staff on the strategic and local development of the business, including the potential acquisitions of other companies. An essential part of these meetings is an open question and answer session where all employees are encouraged to raise any issues they may have for discussion.

Career development and professional training

The Company is committed to strong organic growth, which provides clear opportunities for staff to develop their careers within the business. The Company also supports professional development and has programmes in place to help employees achieve Chartered status (or equivalent) in their chosen profession. SLR also supports staff in continuing education and is currently providing bursaries and support for several staff attending full or part-time university or college courses.

Charitable initiatives and support

The Company focusses on working with its employees to support charities local to their operations. As well as direct contributions to local charities, the Company also provides indirect support such as paying employees' entrance fees for charitable events and providing staff time pro bono.

In the year to 30 December 2022, SLR supported staff participating in a number of diverse charitable events, as well as making direct donations to a range of charities. Donations in the year totalled £23,333 (Year ended 31 December 2021 - £9,225).

Employee incentives

As well as providing staff with industry standard employment packages in terms of salary and other benefits, the Group runs a discretionary profit-sharing bonus scheme to which staff are eligible.

Modern slavery

In compliance with s.54 of the Modern Slavery Act 2015, SLR's Modern Slavery Statement sets out the steps taken by SLR Consulting Limited to prevent slavery or human trafficking from taking place in our supply chains. The full statement is available at www.slrconsulting.com.

SLR Consulting Limited
Report of the directors
for the Year ended 30 December 2022 (continued)

Streamlined energy and Carbon Reporting (SECR) Statement

Introduction

The below statement contains SLR's annual energy consumption, associated relevant greenhouse gas emissions, and additional related information, as required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Methodology

The methodology applied to the calculation of Greenhouse Gas emissions is the 'GHG Protocol Corporate Accounting and Reporting Standard'. An 'operational control' boundary has been applied. Carbon conversion factors have been taken from 'UK Government GHG Conversion Factors for Company Reporting – 2021'. Emissions are reported as CO₂e. Scope 2 emissions have been reported as 'location based'

Energy Use and Greenhouse Gas Emissions

The table below shows the total annual UK energy use and emissions associated with the operation of buildings, and fuel consumed for relevant business transport purposes, for the period 1 January 2022 to 30 December 2022.

| Table – Energy Consumption and Emissions | 2022 | 2021 | % Difference vs 2021 |
|---|------------------|------------------|-----------------------------|
| On-site combustion (kWh) | 399,020 | 232,914 | 71.3 |
| Electricity (kWh) | 253,357 | 180,169 | 40.6 |
| Road Transport (kWh) | 1,359,644 | 1,282,162 | 6.0 |
| Total Energy (kWh) | 2,012,021 | 1,695,245 | 18.7 |

| | | | |
|--|-------------|-------------|---------------|
| Scope 1 Emissions (tCO₂e) | 73 | 43 | 69.8 |
| Scope 2 Emissions location based (tCO₂e) | 45 | 38 | 18.4 |
| Scope 3 Emissions (tCO₂e) | 320 | 298 | 7.4 |
| Total Emissions (tCO₂e) | 438 | 379 | 15.6 |
| Emissions Intensity (tCO₂e/FTE) | 0.75 | 0.93 | (19.4) |

Emissions Intensity

For purposes of baselining and ongoing comparison, it is required to express the emissions using a carbon intensity metric. The intensity metric chosen is staff number in full-time equivalents (FTE). The resultant emissions intensity is 0.75 tCO₂e/FTE.

Energy Efficiency Action

During 2022 we saw an increase in overall emissions due to both organic and acquisitional business growth as well as post-Covid return to office for many. We were able to decrease our emissions intensity year on year by 19.4%.

Post balance sheet events

In May 2023 SLR Consulting acquired Carnstone Limited as part of its strategy to grow ESG operations.

SLR Consulting Limited

**Report of the directors
for the Year ended 30 December 2022 (continued)**

Auditors

All the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

By order of the Board



Director

28 September 2023

SLR Consulting Limited

Report of the independent auditor

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SLR CONSULTING LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 December 2022 and of its profit for the year 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.

We have audited the financial statements of SLR Consulting Limited ("the Company") for the year ended 30 December 2022 which comprise the Statement of Comprehensive Income, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

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

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 Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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.

SLR Consulting Limited

Report of the independent auditor

Other information *(continued)*

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.

Other Companies Act 2006 reporting

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

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

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 or the Directors' report.

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

- 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, 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.

SLR Consulting Limited

Report of the independent auditor

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be Companies Act 2006, UK accounting standards and relevant tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the area most susceptible to fraud to be revenue recognition and management override of controls.

SLR Consulting Limited
Report of the independent auditor

Extent to which the audit was capable of detecting irregularities, including fraud (Continued)

Fraud (Continued)

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias, including in respect of revenue recognition on fixed fee contracts.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

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.

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

DocuSigned by:

Chris Pooler

E75710324A07463

Christopher Pooler (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading, UK
Date 28 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SLR Consulting Limited

**Statement of comprehensive income
for the Year ended 30 December 2022**

| | Note | Year ended 30 December 2022 £ | Year ended 31 December 2021 £ |
|--|------|---|---|
| Turnover | 3 | 52,338,588 | 39,856,383 |
| Operating expenses | | (68,080,794) | (46,188,090) |
| Other operating income | 6 | 20,293,772 | 9,444,959 |
| Operating Profit before depreciation | | 5,125,502 | 3,675,472 |
| Depreciation | | (573,936) | (562,220) |
| Operating profit | 7 | 4,551,566 | 3,113,252 |
| Finance costs | 8 | (18,599) | (11,006) |
| Profit on ordinary activities before taxation | | 4,532,967 | 3,102,246 |
| Taxation on profit from ordinary activities | 9 | (765,417) | (1,367) |
| Profit on ordinary activities after taxation | | 3,767,550 | 3,100,879 |

All amounts relate to continuing activities.

All recognised gains and losses are included in the statement of comprehensive income.

The notes on pages 17 to 31 form part of these financial statements

SLR Consulting Limited

Balance sheet
at 30 December 2022

| Company Number 03880506 | | | | | |
|--|------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Note | 30 December 2022 £ | 30 December 2022 £ | 31 December 2021 £ | 31 December 2021 £ |
| Fixed assets | | | | | |
| Tangible assets | 10 | | 1,246,376 | | 1,086,762 |
| Investments | 11 | | 1,822,062 | | - |
| | | | <u>3,068,438</u> | | <u>1,086,762</u> |
| Current assets | | | | | |
| Debtors | 12 | 65,936,135 | | 55,246,189 | |
| Cash at bank and in hand | | 2,752,624 | | 1,712,161 | |
| | | <u>68,688,759</u> | | <u>56,958,350</u> | |
| Creditors: amounts falling due within one year | 13 | <u>(21,172,053)</u> | | <u>(11,069,662)</u> | |
| Net current assets | | | 47,516,706 | | 45,888,688 |
| Total assets less current liabilities | | | <u>50,585,144</u> | | <u>46,975,450</u> |
| Provisions | 14 | | (263,162) | | (263,162) |
| Creditors: amounts falling due after more than one year | 15 | | (46,913) | | (204,769) |
| Net assets | | | <u>50,275,069</u> | | <u>46,507,519</u> |
| Capital and reserves | | | | | |
| Called up share capital | 17 | | 100 | | 100 |
| Capital contribution | | | 948,884 | | 948,884 |
| Profit and loss account | | | 49,326,085 | | 45,558,535 |
| | | | <u>50,275,069</u> | | <u>46,507,519</u> |

The financial statements were approved by the board and authorised for issue on 28 September 2023



N C Penhall
Director

The notes on pages 17 to 31 form part of these financial statements

SLR Consulting Limited

Statement of changes in equity
For the Year ended 30 December 2022

| | Share capital £ | Capital contribution £ | Profit and loss account £ | Total equity £ |
|--|-----------------------|------------------------------|---------------------------------|----------------------|
| At 1 January 2022 | 100 | 948,884 | 45,558,535 | 46,507,519 |
| Profit for the year | - | - | 3,767,550 | 3,767,550 |
| Total comprehensive income for the year | - | - | 3,767,550 | 3,767,550 |
| At 30 December 2022 | 100 | 948,884 | 49,326,085 | 50,275,069 |
| | Share capital £ | Capital contribution £ | Profit and loss account £ | Total equity £ |
| At 2 January 2021 | 100 | 948,884 | 42,457,656 | 43,406,640 |
| Profit for the period | - | - | 3,100,879 | 3,100,879 |
| Total comprehensive income for the period | - | - | 3,100,879 | 3,100,879 |
| At 31 December 2021 | 100 | 948,884 | 45,558,535 | 46,507,519 |

The notes on pages 17 to 31 form part of these financial statements

SLR Consulting Limited

Notes forming part of the financial statements for the Year ended 30 December 2022

1 Accounting policies

SLR Consulting Limited ("the Company") is a private company limited by shares and is incorporated in England & Wales under the Companies Act. The address of the Company's registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the Strategic report. These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies (Accounts and Reports) Regulations 2008.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

These financial statements cover the 52 week period from 1 January 2022 to 30 December 2022. Reference to "year" throughout these financial statements refers to the aforementioned 52 week period.

Reduced disclosure exemptions

In preparing the separate financial statements of the Company, advantage has been taken of the following disclosure exemptions permitted by the reduced disclosure regime within FRS 102:

- 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 for financial instruments measured at amortised cost or cost less impairment, interest income/expense and net gains/losses for financial instruments measured at amortised cost and descriptions of hedging relationships.

This information is included in the consolidated financial statements of SLR Global Limited, the parent company of the largest group for which consolidated accounts are prepared, as at 30 December 2022 and their financial statements are available from its registered office, 7 Wornal Park, Menmarsh Road, Worminghall, Aylesbury, Buckinghamshire, HP18 9PH.

Consolidated financial statements

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking is included by full consolidation in the consolidated financial statements of its intermediate parent, SLR Global Limited, a company incorporated in the United Kingdom. These financial statements, therefore, present information about the Company as an individual undertaking and not about its underlying group of companies.

The following principal accounting policies have been applied:

SLR Consulting Limited

Notes forming part of the financial statements for the Year ended 30 December 2022 (continued)

1 Accounting policies (continued)

Going concern

The Company made an operating profit of £4.55m (Year ended 31 December 2021: £3.11m) and reported a profit after tax of £3.8m (Year ended 31 December 2021: £3.1m) for the Year ended 30 December 2022. At 30 December 2022 the Company had net assets of £50.3m (31 December 2021: £46.5m) and cash at bank and in hand of £2.8m (31 December 2021: £1.7m). Performance in the first half of 2023 has been ahead of budget and the prior year.

In addition, the Directors of SLR Consulting Limited have considered the trading prospects of the Company for a period covering at least twelve months from the date of approval of these financial statements and believe that it will have the cash resources available to serve its own liquidity needs throughout this period. The Company also contributes to and benefits from funding across the SLR Group. The Group have also prepared cash flow forecasts for a period including twelve months from the date of approval of these financial statements which show that the Group and ultimate Parent company can continue to safely operate within the current financing facilities available to the Group.

As a result, the Company's Directors consider that the Company will continue as a going concern for a period of at least twelve months from the date of signing these financial statements. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing these financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable (net of VAT and local taxes) from the provision of work for external clients during the year in the ordinary nature of the business.

Services provided to clients during the year which at the balance sheet date have not been billed, have been recognised as turnover. Turnover recognised in this manner is based on an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement. Provision is made against unbilled amounts on those engagements where the right to receive payment is contingent on factors outside the control of the business. Unbilled revenue is included in accrued income.

Other operating income

Other operating income includes recharges made to group undertakings as a result of costs incurred on behalf of group companies along with the income receivable from research and development taxation claims.

Tangible fixed assets

Tangible fixed assets are measured 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. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

SLR Consulting Limited

Notes forming part of the financial statements for the Year ended 30 December 2022 (continued)

1 Accounting policies (continued)

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful lives, as follows:

| | | |
|------------------------|---|-------------------|
| Plant and machinery | - | 20%-33% per annum |
| Leasehold improvements | - | 10%-33% per annum |
| Fixtures and fittings | - | 10%-33% per annum |
| Computer equipment | - | 33%-50% per annum |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 within 'administrative expenses' in the income statement.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except that a charge attributable to an item of income or 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 reporting date in the countries where the Company's subsidiaries operate and generate taxable income.

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

- 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.
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

SLR Consulting Limited

Notes forming part of the financial statements for the Year ended 30 December 2022 (continued)

1 Accounting policies (continued)

Leased assets (continued)

Rentals payable under operating leases are charged to income statement on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Company recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are taken directly to the income statement.

Pension costs

Contributions to the Company's defined contribution pension scheme are charged to the income statement in the year in which they become payable.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Investments

Investments held as fixed assets are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Dividend income from investment is recognised when the shareholders 'right to receive payment' have been established (provided that it is probable that the economic benefit will flow to the company and the amount of revenue can be measured reliably).

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt so that the amount charged is at a constant rate on the carrying amount.

SLR Consulting Limited

Notes forming part of the financial statements for the Year ended 30 December 2022 (*continued*)

1 Accounting policies (*continued*)

Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Capital Contribution relates to share-based payments of prior years in respect of share options awarded to employees of the Company by its ultimate parent company.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

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

Performance obligations and timing of revenue recognition

Revenue is recognised typically on a time basis. This applies in both instances where a contract basis is agreed with the client as "time and expense" (based on hours worked on the project at the agreed hourly rate) and "fixed price" (based on the estimated time to complete the project at the agreed hourly rate). In both instances the services created have no alternative use for the Company and the contracts require payment to be received for the time and effort spent by the Company on progressing the contracts in the event of the customer cancelling the contract prior to completion for any reason other than the Company's failure to perform its obligations under the contract. Particularly in relation to "fixed price" contract, the Company recognises revenue based on stage of completion of the project which is estimated by comparing the number of hours spent on the project with the total number of hours expected to complete the project (i.e. an input based method). Amounts billed in advance of performance obligations being met are recognised as deferred revenue.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Trade debtors impairment loss

Trade debtors are reviewed for impairment loss on an ongoing basis and provision made for any balances where there is uncertainty against the recoverability of the balance. This methodology is applied on a customer-by-customer basis.

Creditors, provisions and liabilities

These are recognised at the balance sheet date and include amounts for accrued holiday pay, employee bonuses and third party subcontractor costs. Although these amounts are reviewed on a regular basis and adjusted to reflect management's best current estimates, the judgemental nature of these items means that future amounts settled may be different from those provided. The provision balance represents the estimated liability arising from dilapidations on the termination of current property leases. This value is also included in fixed assets and is amortised over the remaining life of the lease term for each property.

SLR Consulting Limited

**Notes forming part of the financial statements
for the Year ended 30 December 2022 (continued)**

3 Turnover

Turnover is wholly attributable to the principal activity of the Company and arises in the following geographical markets:

| | Year ended 30 December 2022 £ | Year ended 31 December 2021 £ |
|-------------------|--|--|
| United Kingdom | 43,730,141 | 30,316,366 |
| Europe | 3,759,507 | 6,644,331 |
| United States | 718,519 | 224,870 |
| Africa | 2,251,160 | 1,797,004 |
| Asia-Pacific | 207,652 | 292,453 |
| Rest of the world | 1,671,609 | 581,359 |
| | 52,338,588 | 39,856,383 |

4 Employees

| | Year ended 30 December 2022 £ | Year ended 31 December 2021 £ |
|-------------------------|--|--|
| Staff costs consist of: | | |
| Wages and salaries | 39,785,666 | 26,530,493 |
| Social security costs | 4,548,131 | 2,753,285 |
| Other pension costs | 2,024,340 | 1,231,356 |
| | 46,358,137 | 30,515,134 |

The average number of employees, including directors, analysed by category was as follows:

| | Year ended 30 December 2022 Number | Year ended 31 December 2021 Number |
|-------------------------------|---|---|
| Technical | 626 | 532 |
| Management and administration | 128 | 107 |
| | 754 | 639 |

SLR Consulting Limited

**Notes forming part of the financial statements
for the Year ended 30 December 2022 (continued)**

| 5 Directors | Year ended 30 December 2022 £ | Year ended 31 December 2021 £ |
|---|--|--|
| Directors' emoluments | 430,768 | 622,933 |
| Payments to defined contribution pension scheme | 55,572 | 42,820 |
| | 486,340 | 665,753 |
| Emoluments of the highest paid director: | | |
| Emoluments | 180,300 | 238,524 |
| Amounts paid to the Company's defined contribution pension scheme | 29,604 | 13,320 |
| There were three (Year ended 31 December 2021 - four) directors in the Company's defined contribution pension scheme during the year. | | |
| 6 Other operating income | Year ended 30 December 2022 £ | Year ended 31 December 2021 £ |
| Management charges | 19,105,340 | 9,117,927 |
| Other Income R&D | 1,188,432 | - |
| Other income - Furlough | - | 327,032 |
| | 20,293,772 | 9,444,959 |
| 7 Operating profit | Year ended 30 December 2022 £ | Year ended 31 December 2021 £ |
| This has been arrived at after charging/(crediting): | | |
| Depreciation of tangible fixed assets | 573,936 | 562,220 |
| Operating lease rentals – Land and buildings | 731,954 | 996,565 |
| Operating lease rentals – Other | 112,964 | 196,111 |
| Income from government support schemes | - | 327,032 |
| Fees payable to BDO LLP for the statutory audit of the company | 80,000 | 65,000 |
| Exchange loss | (2,582) | 63,317 |

The Company has taken advantage of the exemption from the requirement to disclose details of the auditors' remuneration for non-audit services under the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) (Amendment) Regulations 2011 as this is disclosed in the consolidated accounts of its ultimate parent company, SLR Global Limited.

SLR Consulting Limited

Notes forming part of the financial statements
for the Year ended 30 December 2022 (continued)

8 Finance costs

| | Year ended 30 December 2022 £ | Year ended 31 December 2021 £ |
|----------------------------------|--|---|
| Hire purchase and finance leases | 11,291 | 9,453 |
| Other interest payable | 7,308 | 1,553 |
| | <u>18,599</u> | <u>11,006</u> |

SLR Consulting Limited

**Notes forming part of the financial statements
for the Year ended 30 December 2022 (continued)**

| 9 Taxation on profit from ordinary activities | Year ended 30 December 2022 £ | Year ended 31 December 2021 £ |
|---|---|--|
| <i>Current tax</i> | | |
| UK corporation tax on profits of the year | (472,162) | - |
| Adjustments in respect of previous periods | (225,801) | - |
| | <hr/> | <hr/> |
| Total current tax | (697,963) | - |
| <i>Deferred tax</i> | | |
| Origination and reversal of timing differences | (67,454) | (1,367) |
| | <hr/> | <hr/> |
| Total tax charge on profit on ordinary activities | (765,417) | (1,367) |

The tax assessed for the period is different to the standard rate of corporation tax in the UK. The differences are explained below:

| | Year ended 30 December 2022 £ | Year ended 31 December 2021 £ |
|--|---|--|
| Profit on ordinary activities before tax | 4,532,967 | 3,102,246 |
| Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (Year ended 31 December 2021 – 19%) | 861,264 | 589,427 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 54,432 | 3,740 |
| Fixed asset differences | (39,424) | (14,228) |
| Group relief claimed | (127,101) | (543,501) |
| Adjustments to tax charge in respect of previous years | 225,916 | (27,936) |
| Remeasurement of deferred tax for changes in tax rates | 16,189 | - |
| R&D expenditure credits | (225,802) | - |
| Other differences | (57) | (6,135) |
| Tax rate differences | - | - |
| | <hr/> | <hr/> |
| Total tax charge/(credit) for the year | 765,417 | 1,367 |

Deferred taxes at the reporting date have been measured and reflected in these financial statements using the substantively enacted tax rate at the year end of 25%.

SLR Consulting Limited

Notes forming part of the financial statements
for the Year ended 30 December 2022 (continued)

10 Tangible assets

| | Plant and machinery £ | Leasehold improvements £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|---|-----------------------------|--------------------------------|-------------------------------|----------------------------|------------------|
| <i>Cost</i> | | | | | |
| At 1 January 2022 | 1,309,310 | 263,162 | 1,289,911 | 3,004,060 | 5,866,443 |
| Additions: | 103,143 | 198,131 | 667 | 431,609 | 733,550 |
| At 30 December 2022 | 1,412,453 | 461,293 | 1,290,578 | 3,435,669 | 6,599,993 |
| <i>Depreciation</i> | | | | | |
| At 1 January 2022 | 961,573 | 187,441 | 1,040,066 | 2,590,601 | 4,779,681 |
| Provided for the year | 112,533 | 105,411 | 60,986 | 295,006 | 573,936 |
| At 30 December 2022 | 1,074,106 | 292,852 | 1,101,052 | 2,885,607 | 5,353,617 |
| <i>Net book value</i> | | | | | |
| At 30 December 2022 | 338,347 | 168,441 | 189,526 | 550,062 | 1,246,376 |
| At 31 December 2021 | 347,737 | 75,721 | 249,845 | 413,459 | 1,086,762 |
| Assets held under finance leases and hire purchase contracts: | | | | | |
| <i>Net book value</i> | | | | | |
| At 30 December 2022 | - | - | - | 87,305 | 87,305 |
| At 31 December 2021 | - | - | 11,813 | 145,878 | 157,691 |

SLR Consulting Limited

Notes forming part of the financial statements
for the Year ended 30 December 2022 (continued)

11 Fixed Asset Investments

| | Investment in subsidiary undertaking |
|--|--|
| | £ |
| At 1 January 2022 | - |
| Addition – Clearlead I imited 100% Share holding | 1,822,062 |
| At 30 December 2022 | 1,822,062 |

The principal subsidiary undertakings in which the Company's interest at the year-end was 20% or more as follows.

| Name of undertaking | Country of incorporation | Registered office | Proportion of Ordinary share capital held | Nature of business |
|------------------------------|-----------------------------|----------------------|--|---------------------------|
| Clearlead Consulting Limited | England | 1 | 1 | Environmental consultancy |

12 Debtors

| | 30 December 2022 £ | 31 December 2021 £ |
|-------------------------------------|-----------------------------|-----------------------------|
| Trade debtors | 10,255,505 | 7,930,067 |
| Prepayments | 1,127,938 | 1,902,670 |
| Amounts due from group undertakings | 51,443,452 | 44,284,695 |
| Other debtors | 250,950 | 120,764 |
| Accrued income | 1,669,859 | 971,038 |
| Deferred tax | - | 36,955 |
| Corporation tax receivable | 1,188,431 | - |
| | <u>65,936,135</u> | <u>55,246,189</u> |

The impairment loss recognised in the company profit or loss for the year in respect of bad and doubtful trade debtors was £164,034 (2021 - £27,455).

SLR Consulting Limited

**Notes forming part of the financial statements
for the Year ended 30 December 2022 (continued)**

13 Creditors: amounts falling due within one year

| | 30 December 2022 £ | 31 December 2021 £ |
|--|---------------------------------------|---------------------------------------|
| Trade creditors | 2,786,444 | 2,151,496 |
| Amounts owed to group undertakings | 10,238,601 | 1,736,133 |
| Obligations under finance leases and hire purchase contracts | 68,999 | 76,342 |
| Other creditors | 289,223 | 156,150 |
| Deferred consideration | 997,557 | - |
| 10% Unsecured loan notes | 85,000 | 85,000 |
| Accruals | 2,951,466 | 2,634,551 |
| Deferred income | 1,397,785 | 1,831,630 |
| Taxation and social security | 2,356,978 | 2,398,360 |
| | 21,172,053 | 11,069,662 |

£0.8m owed to foreign entities which bears interest according to transfer pricing principles, the remaining are to UK companies which bears no interest.

14 Provisions

| | 30 December 2022 £ | 31 December 2021 £ |
|--------------------------------------|-------------------------------|-----------------------------------|
| Provision for property dilapidations | 263,162 | 263,162 |
| | <u>263,162</u> | <u>263,162</u> |

15 Creditors: amounts falling due after more than one year

| | 30 December 2022 £ | 31 December 2021 £ |
|--|-------------------------------|-----------------------------------|
| Obligations under finance leases and hire purchase contracts | 46,913 | 119,769 |
| 10% Unsecured loan notes | - | 85,000 |
| | <u>46,913</u> | <u>204,769</u> |

SLR Consulting Limited

Notes forming part of the financial statements
for the Year ended 30 December 2022 (continued)

16 Finance leases

The Company enters into finance leases for fixtures and fittings and for computer equipment. These leases are classified as finance leases as the rental period matches the full useful economic life of the assets.

| | Minimum lease payments 30 December 2022 £ | Minimum lease payments 31 December 2021 £ |
|--|--|---|
| Not more than one year – current liabilities | 68,999 | 76,342 |
| Between one and five years – non-current liabilities | <u>46,913</u> | <u>119,769</u> |
| | <u>115,912</u> | <u>196,111</u> |

17 Share capital

| | 30 December 2022 Number | 31 December 2021 Number | 30 December 2022 £ | 31 December 2021 £ |
|---|-------------------------------|-------------------------------|--------------------------|--------------------------|
| <i>Allotted, called up and fully paid</i> | | | | |
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

The Company's ordinary shares, which carry no right to fixed income, each carry the right to distributions and voting rights.

18 Commitments under operating leases

At 30 December 2022, the Company had commitments under non-cancellable operating leases as set out below:

| | 30 December 2022 Land and buildings £ | 30 December 2022 Other £ | 31 December 2021 Land and buildings £ | 31 December 2021 Other £ |
|--------------------------------|--|--------------------------------------|--|--------------------------------------|
| Operating leases which expire: | | | | |
| Within one year | 818,072 | 348 | 595,913 | 5,089 |
| In two to five years | 1,171,784 | - | 1,307,612 | - |
| In more than five years | <u>102,783</u> | - | <u>249,690</u> | - |
| | <u>2,092,639</u> | <u>348</u> | <u>2,153,215</u> | <u>5,089</u> |

SLR Consulting Limited

Notes forming part of the financial statements for the Year ended 30 December 2022 (*continued*)

19 Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held in *independently administered funds*. The pension cost charge represents contributions paid and payable by the Company to the funds during the period. As at 30 December 2022, the amounts payable to the funds totalled £378,950 (31 December 2021 - £314,050).

20 Contingent liabilities and guarantees

All facilities in the prior year were settled as part of the recapitalisation of the business by the intermediate parent company, Solar Holdings Bidco Limited following the acquisition of SLR Global Limited by Ares. As a result, all facilities are now held by the intermediate parent company Solar Holdings Bidco Limited with a portion being held by Solar Holdings US Bidco Inc. At the year-end, the Company and certain subsidiaries thereof have guaranteed the total outstanding borrowings within Solar Holdings US Bidco Inc. of £38.6m and within Solar Holdings Bidco Limited of £176.0m (year ended 31 December 2021 - £97.0m SLR MD Limited).

There is a fixed and floating charge over the assets of the Company in respect of security for the borrowings in existence at 30 December 2022 as mentioned above.

21 Related party transactions

The results of the Company are included in the consolidated financial statements of SLR Global Limited. Consequently, the Company is exempt under FRS 102 from disclosing details of transactions with wholly owned entities that are part of the same group.

22 Ultimate parent company and ultimate controlling party

The previous controlling interest was held by Charterhouse Capital Partners X Funds ("CCP X Funds") and was sold during the year to ACOF VI Holdings, a fund managed by the ultimate beneficiary owner Ares Management Corporation ("Ares"). Ares is a global alternative investment manager operating in the credit, private equity and real estate markets headquartered in Los Angeles, USA.

ACOF VI Holdings own a majority shareholding of Solar Holdings Topco Limited (an entity incorporated in the United Kingdom during 2022 to serve as the parent company). The first accounting reference date at which consolidated accounts including the Company will be prepared by Solar Holdings Topco Limited is 5 January 2024. At that date, Solar Holdings Topco Limited will be the largest group for which consolidated accounts including the Company will be prepared.

The Company's immediate parent company is SLR Holdings Limited, a company incorporated in the United Kingdom.

SLR Global Limited, a company incorporated in the United Kingdom, is an intermediate parent company and is the smallest group for which consolidated accounts including the Company are prepared.

Copies of the consolidated financial statements of SLR Global Limited are available from its registered office: 7 Wornal Park, Menmarsh Road, Worminghall, Aylesbury, Buckinghamshire, HP18 9PH.

SLR Consulting Limited

**Notes forming part of the financial statements
for the Year ended 30 December 2022 (continued)**

23 Events after the reporting period

On 19 May 2023 SLR Consulting Limited, a subsidiary undertaking of the Company, acquired Carnstone Partners Limited based in the United Kingdom. Management have not yet determined the fair value of the net assets acquired. The total purchase consideration at completion is £11.0m. The principal activity is management consultancy, specialising in ESG and sustainability.