

R P S GROUP LIMITED (formerly R P S Group Plc)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 1 OCTOBER 2023**

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R P S GROUP LIMITED (formerly R P S Group Plc)

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COMPANY INFORMATION

Directors	C Green R A Lemmon
Company Secretary	A J Murdoch
Registered office	20 Western Avenue Milton Park Abingdon Oxfordshire OX14 4SH
Company number	02087786
Auditor	Deloitte LLP Statutory Auditor Abbots House Abbey Street Reading RG1 3BD

R P S Group Limited

STRATEGIC REPORT

The Directors present their Strategic Report together with their Annual Report, the auditor's report and financial statements for R P S Group Limited (formerly R P S Group Plc) ('the Company') for the nine-month period ended 1 October 2023. The comparative period is the 12 months from 1 January 2022 to 31 December 2022. The change in accounting reference date was to align with Tetra Tech Inc., the ultimate parent company, following the acquisition on 23 January 2023.

Principal activities

The Company's principal activity is to hold investments in the R P S Group Limited group ('RPS Group') in the UK, Ireland, Netherlands, Norway, USA and Australia. The Company also operates shared services functions primarily for the UK entities and manages the treasury requirements for the UK and Europe RPS entities.

Tetra Tech takeover

On 23 January 2023 the Company was acquired by Tetra Tech UK Holdings Limited and became a subsidiary within the wider Tetra Tech Inc. group ('Tetra Tech' or 'Tetra Tech Group').

On 24 January 2023, R P S Group Limited was officially de-listed from the London Stock Exchange.

The combined Tetra Tech and RPS business will represent a premier international consulting, engineering and program management firm, and will leave RPS well-positioned to provide a strong platform to drive long-term growth within the broader Tetra Tech Group.

R P S Group Plc was renamed R P S Group Limited on 17 February 2023.

Strategic review

The Profit and Loss Account is set out on page 10. The loss after tax for the period was £46.3 million (year ended 31 December 2022: profit after tax £14.2 million).

The Company incurred a number of one-off significant costs related to the Tetra Tech acquisition during the period and the key items were as follows:

- £12.1 million of acquisition-related costs for advisor fees, professional fees to close out the various share schemes and severance costs for the executive directors.
- £26.1 million of integration costs in relation to the integration of the Company, and wider RPS group, into Tetra Tech. This included intangible asset impairments of £10.5 million and other losses on disposal of assets of £0.7 million. £9.9 million of the impairment related to the write off of the group's ERP system. An onerous contract for the associated ERP licence costs of £5.6 million was also recognised along with other costs for software and services no longer required.
- A £16.1 million loss was recorded on the disposal of the investment in Knowledge Reservoir Holdings AS, although this was partly offset by a dividend of £3.1 million included within income from shares in group undertakings and a dividend of £16.1 million record in the prior year.

Future developments and subsequent events

On 2 October 2023 RPS Group US Holdings Limited, a subsidiary undertaking, sold its entire investment in RPS Americas Inc, the parent company of the US sub-group. The Company received a dividend of £79.5 million from RPS Group US Holdings Limited following the disposal and made a gain on the disposal of its investment of £1.0 million.

The Company will continue to act as a holding company for all remaining investments in the RPS Group. The shared services functions for the UK remain in the Company and are being recharged out in full in the next financial year.

Other than as detailed above there were no significant post balance sheet events.

Key performance indicators

The Company uses the following key performance indicator to monitor its performance:

£m	9 months ended 1 October 2023	Year ended 31 December 2022
(Loss)/profit after taxation	(46.3)	14.2
Investments	331.2	347.3

STRATEGIC REPORT

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are described below.

Recruitment and retention of employees – The company operates largely as a holding company and provides support services to the Tetra Tech Group. The market for well-qualified and professional employees is competitive and, from time to time, it may be difficult to attract and retain qualified individuals with the required expertise. The Company and Tetra Tech Group invests in the professional development and training of our employees with an aim of low staff turnover and internal staff advancement into leadership roles.

Information technology and security – the loss of availability and access to critical business systems and data could cause significant disruption to the operation of the business. We rely on industry-accepted security measures and technology to securely maintain all confidential and proprietary information on our information systems. In addition, we rely on the security of third-party service providers, vendors and cloud services providers to protect confidential data.

Regulatory and compliance – the risk of failing to comply with all relevant legislation and regulations that could give rise to financial penalty, regulatory intervention and reputational damage. The Company has appropriate internal controls to support regulatory compliance and employs suitably qualified professionals to monitor and manage regulations across the business.

Health, safety and wellbeing – the risk related to the health and safety of employees, members of the public and the environment. The Tetra Tech Group employs suitably qualified professionals to monitor, manage and report health and safety risks. Wellbeing is managed through regular communication and updates to our people, an increased number of mental first aiders, mental health awareness training and greater promotion of the Employee Assistance Program.

Climate change – climate risk is a consideration in business continuity planning and operational security due to extreme weather conditions. Our workforce is highly mobile, able to work remotely and can in most cases quickly adapt to changes in conditions. The Tetra Tech Group maintains a strong information technology infrastructure to facilitate remote working and project data is accessible through cloud-based systems.

The Company's Directors and senior management regularly review these risks and their potential impact on the Company and take mitigating action as necessary.

Section 172 (1) statement

This statement contains an overview of how the Directors have performed their duty to promote the success of the Company as set out in section 172 (1) of the Companies Act 2006.

The Company's Board works within the principles of the Tetra Tech Group's governance structure and strategic goals. It also acts fairly with its sole shareholder, Tetra Tech UK Holdings Limited.

Decision making:

The shareholders are the ultimate owners of the business and therefore a key stakeholder group, particularly at the start of the financial year when the Company was listed on the official list of the London Stock Exchange. The shareholders were kept informed on the progress of the acquisition up to the date of the delisting on 24 January 2023.

In all areas the Directors have regard to the interest of various stakeholders, including the strategic goals set by Tetra Tech, and consider the consequences of their decisions in the long term and the long-term reputation of the Company and the Tetra Tech Group.

High standards of business conduct:

The Tetra Tech Group and Company Boards retain oversight in the development of a corporate culture that promotes integrity, transparency and fairness in the way that the Company conducts business. This includes the adoption of appropriate group policies relating to individual and corporate conduct which is supported by employee training in relation to the expected behaviours and is part of the annual employee performance and reward discussions.

Our people:

As a people-oriented business, our employees are critical to our success. Active engagement enables us to ensure the health and wellbeing of employees, develop talent and opportunity as well as ensure that reward is fair and transparent. The Tetra Tech Group has diverse employee-led resource groups and group wide collaboration teams that reflect the spirit of engagement, innovation and entrepreneurship throughout the Company wider group.

Much of the engagement with our employees in the financial period has related to the Tetra Tech acquisition including the impact on our people, the changing activities of the Company and working as part of a much larger global organisation. With the integration of the Company into the Tetra Tech Group throughout the period our people have been impacted by the restructuring of teams and redundancies in certain areas.

Additionally, we have continued to adopt a hybrid way of working wherever possible and the Company supports this way of working.

STRATEGIC REPORT

Suppliers:

The Company is not materially reliant on a supply chain although open and positive relationships with suppliers are fostered to the greatest extent possible.

Community and environment:

We define the communities in which we operate as those we work with, as well as those living and working in close geographic proximity to our work and operations. We also see wider societal interests as forming part of our community and place our obligations in terms of minimising our environmental impact in this context. It is important that we engage with local communities in order that we take their views into consideration and fully take account of their views in running our business. Whilst the Company is not materially reliant on a supply chain, there is also a societal interest in ensuring that any adverse community impact of suppliers is minimised. The needs and interests of these groups can be represented through charitable organisations.

We recognise our obligation to manage the impact of the Company's services on the environment and endeavour to limit our impact where possible. Carbon management, adaptation and mitigation strategies are under review by the Tetra Tech Group to identify opportunities for energy efficiency improvements and energy reduction. The areas that are likely to be targeted that impact on the Company include the continued electrification of the company car fleet, securing renewable energy supplies, sustainable travel plans and supply chain procurement improvements and engagement.

Approved by the Board and signed on its behalf by:



C Green
Director
27 June 2024

R P S Group Limited

DIRECTORS' REPORT

The Directors present their Annual Report on the affairs of R P S Group Limited, together with the financial statements and auditor's report, for the nine-month period ended 1 October 2023. In accordance with s414© (11) of the Companies Act, included in the Strategic Report is information relating to certain matters as detailed in the sections below which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulations 2008' to be contained in a Directors' Report.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing the financial statements. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

Future developments and subsequent events

Details of future developments and subsequent events can be found in the Strategic Report on page 1.

Engagement

The Company uses various mechanisms to engage with its employees, suppliers and customers. How we engage with our stakeholders can be found in our section 172 statement in the Strategic Report.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks, including cash flow, liquidity and credit risks.

As part of an international group the Company can draw on the wider Tetra Tech Group resources, including borrowings and facilities, to maintain liquidity and minimise cashflow risks in foreign currencies.

The Company's credit risk is primarily attributable to its receivables. In the current and prior periods there was no allowance for doubtful receivables recorded against these assets. An allowance is made whenever events or changes in circumstances indicates that the receivables may not be recoverable.

Dividends

No dividends were paid or proposed for the nine-month period ended 1 October 2023 (year ended 31 December 2022: £2.4 million).

Directors

The Directors, who served throughout the nine-month period and to the date of signing except as noted, were as follows:

C Green (appointed 2 November 2023)
R A Lemmon (appointed 2 November 2023)
W Brownlie (appointed 28 February 2023 and resigned 2 November 2023)
A J Gillespie (appointed 28 February 2023 and resigned 2 November 2023)
J Cottrell (resigned 28 February 2023)
A M Bainbridge (resigned 24 January 2023)
J M Douglas (resigned 24 January 2023)
K Lever (resigned 24 January 2023)
M McKelvy (resigned 24 January 2023)
E A Peace (resigned 24 January 2023)

At 1 January 2023 the following Directors had share interests in the Company:

Director	Number of beneficially owned shares	Interests under share schemes	Total interests
J M Douglas	2,327,238	2,666,106	4,993,344
J Cottrell	74,829	1,093,977	1,168,806
K Lever	126,818	–	126,818
A M Bainbridge	22,078	–	22,078
E A Peace	18,363	–	18,363

At 1 October 2023 no Directors had any interest in the share capital of the Company.

R P S Group Limited

DIRECTORS' REPORT

Directors' indemnities

Directors and Officers of the Company, including Directors and Officers of the wider Tetra Tech Group, benefit from directors' and officers' liability insurance cover in respect of legal actions brought against them. In addition, Directors are indemnified under the Company's articles of association to the maximum extent permitted by law, such indemnities being qualifying third party indemnities.

Charitable and political contributions

The Company made no charitable or political contributions during the current or preceding year.

Equal opportunities

The Company provides equal opportunities for all its employees and potential employees regardless of their sex, sexual orientation, age, race, religion, ethnic origin, disability, marital status, colour and nationality. The policy applies to the advertisement of jobs, recruitment and appointment, training, conditions of work, pay and to every aspect of employment.

We recognise our obligations to ensure that people with disabilities are afforded equal opportunities to employment and progress within the Company. Advice is available to all employees involved in employment decisions, particularly in respect of promotion, transfer, training and discipline, as well as all stages of recruitment and selection. Employee communication and consultation is encouraged at all levels of the business.

The Company's policy on equal opportunities covers all areas of discrimination. We seek to comply with the Sex Discrimination Act, the Race Relations Act, the Disability Discrimination Act, Equal Pay Acts and the Protection from Harassment Act in the UK and similar legislation in other countries in which we operate.

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



C Green
Director
27 June 2024

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R P S GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of RPS Group Limited (the 'company')

- give a true and fair view of the state of the company's affairs as at 1 October 2023 and of its loss for the nine-month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statements of changes in equity;
- the statement of accounting policies; and
- the related notes to the financial statements 1 to 20

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

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

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered 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.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included UK Companies Act, pensions legislation, tax legislation and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's operating licence, regulatory solvency requirements, environmental regulations, and health and safety regulations.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, IT, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud the valuation of investments, and our procedures performed to address this includes the following:

- We challenged the discount rate, long term growth rate and cash flow assumptions used by management in their investment impairment assessment. We benchmarked the discount rate against independently available data, together with performing peer group analysis.
- We considered external data on forecast market growth, and evaluated the historical performance of the businesses.
- In addition, we assessed whether the investment impairment model had been prepared based on management's assumptions and was arithmetically accurate. We evaluated the appropriateness of management's sensitivities based on our work performed on the key assumptions and recalculated these sensitised scenarios.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

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.



Antwi Okyere-Darko, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
27 June 2024

R P S Group Limited

PROFIT AND LOSS ACCOUNT

For the nine-month period ended 1 October 2023

£m	Note	9 months ended 1 October 2023	Year ended 31 December 2022
Turnover		–	–
Cost of sales		–	–
Gross profit		–	–
Administrative expenses		(59.3)	(19.4)
Operating loss		(59.3)	(19.4)
Income from shares in group undertakings	4	7.0	32.4
Financing costs (net)	3	(4.2)	(3.9)
(Loss)/profit before tax	4	(56.5)	9.1
Taxation credit	6	10.2	5.1
(Loss)/profit after tax		(46.3)	14.2

All amounts in both the current period and preceding years relate to continuing activities. There was no other comprehensive income in the period (2022: £nil).

The notes on pages 13 to 28 form part of these financial statements.

R P S Group Limited

BALANCE SHEET

As at 1 October 2023

£m	Note	As at 1 October 2023	As at 31 December 2022
Fixed assets:			
Intangible assets	8	–	11.2
Tangible assets	9	0.5	1.2
Investments	10	331.2	347.3
		331.7	359.7
Current assets:			
Debtors	11	44.3	70.5
Cash at bank and in hand		0.3	0.9
		44.6	71.4
Creditors: amounts falling due within one year	12	(94.3)	(62.6)
Net current (liabilities)/assets		(49.7)	8.8
		282.0	368.5
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year	13	–	(54.1)
Provision for liabilities	14	(5.4)	(0.2)
Net assets		276.6	314.2
Capital and reserves			
Called up share capital	16	8.6	8.3
Share premium account	16	126.1	126.1
Profit and loss account	16	69.9	117.4
Merger reserve	16	38.7	38.7
Employee trust shares	16	–	(9.6)
Other reserve	16	33.3	33.3
Total shareholders' equity		276.6	314.2

The financial statements of R P S Group Limited (registered number 02087786) were approved and authorised for issue by the Board of Directors and authorised for issue on 27 June 2024.

They were signed on its behalf by:



C Green
Director

The notes on pages 13 to 28 form part of these financial statements.

R P S Group Limited

STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 1 October 2023

£m	Share Capital	Share premium	Merger reserve	Employee trust shares	Profit and loss account	Other reserve	Total
At 1 January 2022	8.3	126.1	38.7	(10.8)	103.4	33.3	299.0
Share-based payment expense (note 18)	–	–	–	–	3.4	–	3.4
Transfer on release of shares	–	–	–	1.2	(1.2)	–	–
Profit and total comprehensive income	–	–	–	–	14.2	–	14.2
Dividend paid (note 7)	–	–	–	–	(2.4)	–	(2.4)
At 31 December 2022	8.3	126.1	38.7	(9.6)	117.4	33.3	314.2
Issue of new shares	0.3	–	–	(0.3)	–	–	–
Share-based payment expense (note 18)	–	–	–	–	8.7	–	8.7
Transfer on release of shares	–	–	–	9.9	(9.9)	–	–
Loss and total comprehensive expense for the period	–	–	–	–	(46.3)	–	(46.3)
At 1 October 2023	8.6	126.1	38.7	–	69.9	33.3	276.6

The notes on pages 13 to 28 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding year.

General information and basis of accounting

The Company's accounting reference date is 30 September (previously 31 December). The Company draws up its financial statements for the accounting period ending on the Sunday directly before or following the accounting reference date, as permitted by section 390 (3) of the Companies Act 2006. The change in accounting reference date was to align with Tetra Tech Inc., the ultimate parent company, following the acquisition on 23 January 2023. The comparative amounts presented in these financial statements may not be comparable due to the shorter accounting period for the current financial year. The Company took the exemption in section 408 of the Companies Act, not to present its individual Profit and Loss Account in the prior year. As this exemption is not available for the current period, the comparative Profit and Loss Account and related notes have been presented.

R P S Group Limited is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is 20 Western Avenue, Milton Park, Abingdon, Oxfordshire OX14 4SH. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 1.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional and presentational currency of R P S Group Limited is considered to be pounds sterling.

R P S Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

Consolidated financial statements

The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Tetra Tech Inc., which are publicly available at 3465 East Foothill Boulevard, Pasadena, California 91107, USA.

These financial statements therefore present information about the Company as an individual undertaking and not about its group.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors' Report.

The Company participates in the Tetra Tech Group's centralised treasury arrangements and shares banking arrangements with its parent companies and subsidiaries. The immediate parent company, Tetra Tech UK Holdings Limited, has provided funding in the form of a promissory note (see note 12) and Tetra Tech Inc., the ultimate parent company and controlling party, has provided a Guarantee Agreement to the Company to satisfy the Company's funding needs.

After fully considering the current economic environment and the forecasts for the Company, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing this report. Therefore, it is appropriate to adopt the going concern basis in preparing the financial statements.

Goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and is written off on a straight-line basis over its useful economic life of up to 20 years. Provision is made for any impairment.

Other intangible assets

Other intangible assets are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over their estimated useful lives as follows:

Software	10 years
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Investments

Investments held as fixed assets are stated at cost, less any provision for impairment in value.

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

1. ACCOUNTING POLICIES (continued)

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date or more frequent if indicators of impairment are identified. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets:

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date. Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Tangible assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

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

Alterations to leasehold premises:	Life of lease
---------------------------------------	---------------

Fixtures, fittings, IT and equipment:	3 to 8 years
--	--------------

All tangible fixed assets are expected to have nil residual value.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

1. ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Pension costs

Contributions to the Company's defined contribution pension schemes are charged to the Profit and Loss Account in the year in which they become payable.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Share-based payments

The Company operated share-based payment arrangements with employees within the RPS Group for shares in R P S Group Limited. All schemes were closed during the period following the acquisition of the Company by Tetra Tech Inc. on 23 January 2023.

The Share Incentive Plan (SIP) was an all-employee share plan which operated in the UK, Ireland, Australia, Canada, Netherlands, Norway and USA. Employees purchased partnership shares on a monthly or annual basis using deductions from salary and the Company matched this by awarding matching shares. These matching shares were awarded at no cost to the employee and were released to the employee subject to continuity of employment provision after three years. On completion of the Tetra Tech acquisition all SIP awards vested in full.

The Performance Share Plan (PSP) was a discretionary share incentive arrangement for certain senior employees of R P S Group Limited. The awards were granted over a fixed number of shares at no cost to the employees. At the end of the three year holding period the award would vest subject to continuity of employment conditions. On completion of the acquisition, awards vested pro rata in proportion to the amount of the holding period that had been completed. Tetra Tech satisfied all unvested awards by way of a cash bonus to the employees.

The Executive Long Term Incentive Plan (ELTIP) was a discretionary share incentive arrangement for R P S Group Limited's senior executives. The awards were granted over a fixed number of shares at no cost to the employees. At the end of the three year holding period the award would vest subject to the achievement of performance measures. There was then a two year holding period for awards that had vested. On completion of the acquisition, awards vested pro rata in proportion to the amount of the holding period that had been completed. Tetra Tech satisfied all unvested awards by way of a cash bonus to the senior executives.

The Short Term Annual Bonus Plan (STABP) was an incentive scheme for R P S Group Limited's senior employees based on the achievement of a range of financial and non-financial targets over a one year period. 50% of the bonus award was paid in cash and 50% was deferred into shares which were subject to a three year holding period. There were no further performance conditions applicable to the deferred shares. On completion of the acquisition all awards vested in full.

The fair value of equity-settled awards for share-based payments was determined at grant and expensed straight-line over the period from grant to the date of earliest unconditional exercise. A recharge was made for the expense to those subsidiaries where employees partook in the scheme.

The Company calculated the fair market value of options using a binomial model and for whole share awards the fair value was based on the market value of the shares at the date of grant adjusted to take into account some of the terms and conditions upon which the shares were granted.

Those fair values were charged to the income statement over the relevant vesting period adjusted to reflect actual and expected vesting levels.

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

1. ACCOUNTING POLICIES (continued)**Employee Share Trusts**

The assets, income and expenditure of the SIP and Employee Benefit Trust were incorporated into the Company's financial statements.

The Trusts were used to issue shares under the Company's share schemes, as described above, and have been closed during the period following the completion of the acquisition.

Finance income and finance costs

Finance income and finance costs arising on assets and liabilities measured at amortised cost are recognised in the Profit and Loss Account using the effective interest method in the period in which they are incurred.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends, this is when they are paid. In the case of final dividends, this is when approved by the shareholders.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

Disclosures on financial instruments have not been included in the Company's financial statements as the Tetra Tech Group's consolidated financial statements include appropriate disclosures.

Financial assets

Trade debtors, other debtors and amounts due from subsidiary undertakings are financial assets that are recognised at fair value on inception and are subsequently carried at amortised cost. They are subject to impairment tests whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Impairment losses are taken to the Profit and Loss Account as incurred.

Financial liabilities

Trade creditors and other creditors including bank loans are financial liabilities that are recognised at fair value on inception and are subsequently carried at amortised cost.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**Critical judgements**

In the course of preparing the financial statements, no significant judgements have been made in the process of applying the Company's accounting policies, other than those involving estimations, that have had a significant effect on the amounts recognised in the financial statements.

Sources of estimation uncertainty

In applying the Company's accounting policies, various transactions and balances are valued using estimates or assumptions. Should these estimates or assumptions prove incorrect, there may be an impact on the following year's financial statements. The Company made an assessment of whether there were any indicators that the investments were impaired and there were no indicators of impairment. There were no sources of material estimation uncertainty at 1 October 2023.

3. FINANCING COSTS (NET)

£m	9 months ended 1 October 2023	Year ended 31 December 2022
Finance costs:		
Interest and charges on loans and overdraft	(0.6)	(3.3)
Intercompany interest payable	(5.2)	(1.5)
Amortisation of prepaid financing costs	(0.7)	(0.6)
	(6.5)	(5.4)
Finance income:		
Deposit interest receivable	0.3	0.1
Intercompany interest receivable	2.0	1.4
	2.3	1.5
Net financing costs	(4.2)	(3.9)

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

4. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is stated after charging/(crediting):

£m	9 months ended 1 October 2023	Year ended 31 December 2022
Dividend income from subsidiary undertakings	7.0	32.4
Depreciation of tangible fixed assets	0.3	0.4
Amortisation of intangible assets (included in administrative expenses)	0.7	0.7
Impairment of intangible assets (note 8) (included in administrative expenses)	10.5	–
Loss on disposal of tangible assets (note 9)	0.7	–
Loss on disposal of investments (note 10)	16.1	–
Operating lease rentals:		
Land and buildings	0.5	0.6
Other	0.1	0.1
Foreign exchange gain	(0.1)	(0.1)
Auditor's remuneration	0.2	0.2

5. STAFF COSTS AND DIRECTORS' EMOLUMENTS

a) Staff remuneration (including that of Directors) comprised:

£m	9 months ended 1 October 2023	Year ended 31 December 2022
Wages and salaries	5.9	11.0
Social security costs	0.8	1.7
Pension costs – defined contribution plans	0.3	0.4
Share-based payment expense – equity-settled	1.9	1.3
	8.9	14.4
Average monthly number of employees (including Executive Directors) was:		
Support staff	179	198

The Company contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

b) Directors' emoluments comprised:

£m	9 months ended 1 October 2023	Year ended 31 December 2022
Remuneration for management services	0.1	2.6
Long-term incentives	–	1.7
Compensation for loss of office	1.0	–
	1.1	4.3
Number of directors who exercised share options	2	1
Number of directors who received shares under long-term incentive schemes	–	2

In respect of the highest paid director:

£m	9 months ended 1 October 2023	Year ended 31 December 2022
Remuneration for management services	0.1	1.5
Long-term incentives	–	1.2
Compensation for loss of office	0.8	–
	0.9	2.7

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

6. TAXATION

The tax credit comprises:

£m	9 months ended 1 October 2023	Year ended 31 December 2022
Current tax:		
UK corporation tax credit	(6.0)	(3.0)
Adjustments in respect of prior years	0.5	0.5
	(5.5)	(2.5)
Deferred tax:		
Origination and reversal of temporary differences	(3.7)	(0.7)
Effect of change in tax rate	(0.3)	(0.2)
Adjustments in respect of prior years	(0.7)	(1.7)
	(4.7)	(2.6)
Total tax credit for the period	(10.2)	(5.1)

The differences between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax is as follows:

£m	9 months ended 1 October 2023	Year ended 31 December 2022
(Loss)/profit before tax	(56.5)	9.1
Tax on (loss)/profit at standard UK corporation tax rate of 23% (2022: 19%)	(13.0)	1.7
Effects of:		
Expenses not deductible for tax purposes	5.8	0.8
Effect of change in tax rate	(0.3)	(0.2)
Income not taxable	(1.6)	(6.1)
Other short-term timing differences	(0.9)	(0.1)
Adjustment to tax charge in respect of previous years	(0.2)	(1.2)
Total tax credit for the period	(10.2)	(5.1)

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

The Company is within the scope of the OECD Pillar Two model rules as it is part of a large group. The legislation was enacted in the UK in July 2023 and will come into effect for the Company from 2 October 2024. The Company does not expect to be affected by the rules as the effective tax rate should exceed the 15% minimum rate.

7. DIVIDENDS

Amounts recognised as distributions to equity holders in the year:

£m	9 months ended 1 October 2023	Year ended 31 December 2022
Final dividend for the year ended 31 December 2021 of 0.44 pence per share	–	1.2
Interim dividend for the year ended 31 December 2022 of 0.45 pence per share	–	1.2
	–	2.4

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

8. INTANGIBLE ASSETS

£m	Goodwill	Software	Total
Cost			
At 1 January 2023	2.1	15.8	17.9
Additions	–	–	–
At 1 October 2023	2.1	15.8	17.9
Amortisation			
At 1 January 2023	2.1	4.6	6.7
Charge for the period	–	0.7	0.7
Impairment	–	10.5	10.5
At 1 October 2023	2.1	15.8	17.9
Net book value at 1 October 2023	–	–	–
Net book value at 31 December 2022	–	11.2	11.2

The software impairment of £10.5 million relates to the write down of software assets that will be phased out and no longer used as and when the Company migrates onto Tetra Tech's systems.

9. TANGIBLE ASSETS

£m	Alterations to leasehold premises	Fixtures, fittings, IT and equipment	Total
Cost or valuation			
At 1 January 2023	0.7	9.5	10.2
Additions	–	0.3	0.3
Disposals	(0.7)	(9.0)	(9.7)
At 1 October 2023	–	0.8	0.8
Depreciation			
At 1 January 2023	0.7	8.3	9.0
Charge for the period	–	0.3	0.3
Disposals	(0.7)	(8.3)	(9.0)
At 1 October 2023	–	0.3	0.3
Net book value at 1 October 2023	–	0.5	0.5
Net book value at 31 December 2022	–	1.2	1.2

Following a detailed review of the fixed asset register during the period, the Company disposed of a large number of old and non-utilised assets. Many of these assets had a nil net book value although this review led to a loss on disposal of £0.7 million.

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

10. INVESTMENTS

£m	Period ended 1 October 2023	Year ended 31 December 2022
Subsidiary undertakings		
Cost		
At beginning of year	471.7	455.6
Additions	–	16.1
Disposals	(16.1)	–
At end of year	455.6	471.7
Provisions		
At beginning and end of year	124.4	124.4
Net book value at end of year	331.2	347.3

The Company has undertaken some restructuring over the current and previous financial periods. This has resulted in related transactions occurring across those periods. On 16 December 2022, the Company acquired the entire issued share capital of Knowledge Reservoir Holdings AS from Knowledge Reservoir Group, Inc. at its book value of £16.1 million. Knowledge Reservoir Holdings AS and Knowledge Reservoir Group, Inc, are both subsidiary undertakings within the RPS Group. The investment was disposed on 6 September 2023 when the liquidation of Knowledge Reservoir Holdings AS were approved.

At the balance sheet date the Company made an assessment of whether there were any indicators that the investments were impaired. There were no indicators of impairment.

R P S Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

Subsidiary undertakings

The principal activity of the majority of our trading subsidiaries is the provision of consulting services.

The following were the subsidiaries during the period. All subsidiaries are held 100% by R P S Group Limited.

Shares are held directly by R P S Group Limited except where marked by an asterisk where they are held by a subsidiary undertaking.

Registered office	Country of registration and operation	Registered office	Country of registration and operation
	Australia	4	Geophysical Consultants Limited *
1	ECL DM Pty Ltd *	4	Geophysical Safety Resources Limited *
1	ECL Drilling Management Pty Limited *	4	Hydrosearch Associates Limited *
1	ECL Pty Ltd *	4	Isochrone Holdings Limited *
1	Everything Infrastructure Consulting Pty Ltd *	4	Knowledge Reservoir (UK) Limited *
1	Everything Infrastructure Group Pty Ltd *	4	Martindale Holdings Limited *
1	Intelligent Infrastructure Pty Ltd *	4	Nautilus (SEAA) Limited *
1	RPS APASA Pty Ltd *	4	Nautilus Limited *
1	RPS Advisory Services Pty Ltd *	4	Net Admin Limited *
1	RPS Aquaterra Pty Ltd *	4	Nigel Moor Associates plc *
1	RPS Australia East Pty Ltd *	4	Oil Experience Limited *
1	RPS Australia West Pty Ltd *	4	Paras Consulting Limited *
1	RPS Consultants Pty Ltd *	4	Paras Limited *
1	RPS ECOS Pty Ltd *	4	Probabilistic Risk Assessments Limited *
1	RPS Energy Pty Ltd *	4	Quad Engineering Limited *
1	RPS Energy Services Pty Ltd *	4	R W Gregory Limited *
1	RPS Environment and Planning Pty Ltd *	4	RPS Business Healthcare Limited *
1	RPS Harper Somers O'Sullivan Pty Ltd *	4	RPS Chapman Warren Limited *
1	RPS Manidis Roberts Pty Ltd *	4	RPS Consultants Limited *
1	RPS AAP Consulting Pty Ltd *	4	RPS Consulting Services Limited *
1	Rudall Blanchard Associates Pty Limited *	4	RPS Design Limited *
1	Troy Ikoda Australasia Pty Ltd *	4	RPS Ecoscope Limited *
1	Whelans Corporation Pty Limited *	4	RPS Energy Consultants Limited *
1	Whelans Insites Pty Limited *	4	RPS Energy Global Limited *
	Canada	4	RPS Energy Limited *
2	Canadian GaiaTech, B.C. ULC *	4	RPS Energy Services Limited *
3	RPS Canada Ltd *	4	RPS Environmental Management Limited *
3	RPS Energy Canada Ltd *	4	RPS Group US Holdings Limited *
	England	4	RPS Finance AAP Limited *
4	Aquaterra International Ltd *	4	RPS Heritage Holdings Limited *
4	Aquaterra UK Limited *	4	RPS Heritage Limited *
4	Basicshare Limited *	4	RPS Laboratories Limited *
4	Burks Green & Partners Limited *	4	RPS Mountainheath Limited *
4	Cambrian Consultants America Limited *	4	RPS Occupational Health Limited *
4	Cambrian Consultants Limited *	4	RPS Planning & Development Limited *
4	Clear Environmental Consultants Limited *	4	RPS Timetrax Limited *
4	DBK Partners Limited *	4	RPS Trustees Limited *
4	ECL Group Limited *	4	RPS US Holdings Limited *
4	ECL Resources Management Limited *	4	RPS Utilities Limited *
4	ECL Technology Limited *	4	Rudall Blanchard Associates Group Limited *
4	Emulous Group Limited *	4	Rudall Blanchard Associates Limited *
4	Emulous Ltd *	4	Safety and Reliability Consultants Limited *
4	Energy Innovations Limited *	4	Scott Pickford Limited *
4	Exploration Consultants Limited *	4	Sherwood House Properties Limited *
4	Flow Control (Water Conservation) Limited *	4	SRC (Consultants) Limited *
4	Geocon Group Services Limited *	4	Town Planning Consultancy Limited *
		4	TPK Consulting Limited *
		4	Troy Ikoda Limited *

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

Registered office	Country of registration and operation	Registered office	Country of registration and operation
4	Troy-Ikoda Management Limited *		New Zealand
4	Utility Technical Services Limited	14	RPS Consultants NZ Limited *
4	WTW & Associates Limited		
4	X-IPEC Limited *		Northern Ireland
	Germany	15	RPS Ireland Limited *
5	Metier Academy GmbH *		Norway
	Gibraltar	16	Knowledge Reservoir AS *
6	Geocon Asia Limited *	16	Knowledge Reservoir Holding AS
	Ireland	17	Metier AS *
7	RPS Consulting Engineers Limited *	17	Metier Group AS *
7	RPS Engineering Services Limited *		Scotland
7	RPS Environmental Consultancy Limited	18	OceanFix International Limited *
7	RPS Group Limited *	19	Reservoir Imaging Limited *
7	RPS Properties Limited *	20	RPS Health in Business Limited *
	Malaysia		Singapore
8	Cambrian Consultants Asia Sdn. Bhd *	21	RPS Advisory PTE Limited *
9	RPS Consultants Sdn Bhd *		Sweden
	Mexico	22	Metier AB *
10	Cambrian Consultants CC America, Inc S.de *		USA
	Mongolia	23	Espey Consultants, Inc. *
11	Aquaterra East Asia LLC *	23	GaiaTech Holdings, Inc *
	Netherlands	23	Houston Geoscan Inc *
12	RPS advies-en ingenieursbureau BV *	23	Nautilus Holdings LLC *
13	RPS Analyse BV *	23	RPS Infrastructure Inc *
12	RPS BV	23	RPS Americas Inc *
12	RPS Detachering BV *	23	RPS Group, Inc. *

Registered Offices

- 1 Level 8, 31 Duncan Street, Fortitude Valley, Queensland 4006, Australia
- 2 1300-777 ST Dunsmuir Vancouver, British Columbia V7Y1K2 Canada
- 3 1200, 700 - 2nd Street SW, Calgary, Alberta, TP2 4V5, Canada
- 4 20 Western Avenue, Milton Park, Abingdon, Oxfordshire OX14 4SH
- 5 Gashaftsanschrift, Marktstrasse 4460388 Frankfurt am Main, Germany
- 6 Line Group Limited, 57/63 Line Wall Road, Gibraltar
- 7 West Pier Business Campus, Old Dunleary Road, Dunlaoghaire, Co Dublin, Republic of Ireland
- 8 Level 11-2 Faber Imperial Court, Jalan Sultan Ismail 50250, Kuala Lumpur, Malaysia
- 9 2nd floor, 60, 62 & 64 Jalan SS 2/21, Damansara Jaya, 47400 Petaling Jaya, Selangor, Malaysia
- 10 Avenida Insurgentes No. 64, CoL Juarez, Mexico City, Mexico, FED DISTR. 06600
- 11 701 San Business Centre, 8th Khoroo, Sukhbaatar, Ulaanbaatar, Mongolia
- 12 Elektronikaweg 2, 2628 XG Delft, The Netherlands
- 13 Minervum 7002, 4817, ZL Breda, The Netherlands
- 14 50 Customhouse Quay, Wellington Central, Wellington, 6011, New Zealand
- 15 Elmwood House, 74 Boucher Road, Belfast, BT12 6RZ
- 16 Welhavens Road 5, 4319 Sandnes, Sandnes, Norway
- 17 Hovfaret 10, 0275 Oslo, Norway
- 18 Easyhub Royfold House, Hill of Rubislaw, Aberdeen, AB15 6GZ
- 19 Atholl Exchange, 1st Floor, 6 Canning Street, Edinburgh, EH3 8EG
- 20 Unit 1, Ratho Park, Station Road, Edinburgh, EH28 8QQ
- 21 100 Tras Street, #16-01, 100 AM, Singapore 079027
- 22 Gyllenstiernsgatan 12, 115 26, Stockholm, Sweden
- 23 575 North Dairy Ashford Road, Suite 700, Houston, Texas 77070, USA

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

11. DEBTORS

£m	As at 1 October 2023	As at 31 December 2022
Amounts falling due within one year:		
Amounts due from subsidiary undertakings	18.7	50.0
Corporation tax receivable	8.7	3.0
Other debtors	13.0	10.4
Prepayments	3.9	7.1
	44.3	70.5

Amounts due from subsidiary undertakings include short-term loans of £15.3 million (2022: £49.0 million) that incur interest at rates of between 4.30% and 5.74% (2022: 4.30% and 7.07%). All other amounts are unsecured, interest free and repayable on demand.

12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

£m	As at 1 October 2023	As at 31 December 2022
Trade creditors	–	7.0
Amounts due to parent undertaking	59.2	–
Amounts due to subsidiary undertakings	32.0	48.7
Other creditors	0.1	0.1
Taxation and social security	–	1.1
Accruals	3.0	5.7
	94.3	62.6

Amounts due to the parent undertaking is a loan note issued by Tetra Tech UK Holdings Limited, the immediate parent company. The loan is repayable on or before 1 October 2024 and incurs interest at a rate of 7.0%.

Amounts due to subsidiary undertakings include short-term loans of £30.7 million (2022: £47.3 million) that incur interest at rates of between 4.15% and 5.74% (2022: 4.86% and 6.92%). All other amounts are unsecured, interest free and repayable on demand.

13. CREDITORS – AMOUNTS DUE AFTER MORE THAN ONE YEAR

£m	As at 1 October 2023	As at 31 December 2022
Borrowings:		
Bank loans	–	55.0
Arrangement fees	–	(0.9)
	–	54.1
Due as follows:		
Amount due between one and two years		
In the third to fifth years inclusive	–	–
After more than five years	–	55.0
	–	55.0

Following the acquisition of the Company by Tetra Tech Inc., the Company repaid the £55.0 million loan notes and cancelled the revolving credit facility on 2 February 2023. Funding for the loan repayment was provided by Tetra Tech UK Holdings Limited, the immediate parent company, in the form of a loan note as detailed in note 12.

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

13. CREDITORS – AMOUNTS DUE AFTER MORE THAN ONE YEAR (continued)

The principal features of the Company's borrowings at 31 December 2022 were as follows:

- i. An uncommitted £3.0 million bank overdraft facility, repayable on demand (undrawn at 31 December 2022).
- ii. A multicurrency revolving credit facility ("RCF") of £100.0 million with Lloyds Bank plc, HSBC UK Bank plc and National Westminster Bank plc, expiring in July 2024 (undrawn at 31 December 2022).
- iii. Bank loans, all expiring in September 2028:
 - A £30.0 million seven year fixed rate loan held with Legal and General Investment Management
 - A £12.5 million seven year floating rate loan held with Aviva Investments
 - A £12.5 million seven year fixed rate loan held with Aviva Investments

The key covenant tests for the revolving credit facility and the seven year loans were: maximum leverage is 3.0x and minimum interest cover is 4.0x.

The revolving credit facility and loans were guaranteed by the Company and certain subsidiaries. The carrying amounts of borrowings approximated their fair values, as the impact of discounting was not significant.

At 1 October 2023 the Company had a £5.0 million bank overdraft facility and this was undrawn at the balance sheet date.

14. PROVISION FOR LIABILITIES

£m	Onerous contracts	Dilapidations	Total
As at 1 January 2023	–	0.2	0.2
Charge for the period	5.6	0.1	5.7
Utilised in the period	(0.5)	–	(0.5)
As at 1 October 2023	5.1	0.3	5.4

The dilapidations provision is in respect of reinstatement obligations related to leasehold properties and will be utilised within two years.

The Company has provided for an onerous contract on a software licence agreement. The related product is no longer in use following the Company's acquisition by Tetra Tech.

The total provision is expected to be utilised as follows:

£m	As at 1 October 2023	As at 31 December 2022
Within one year	1.0	–
After more than one year	4.4	0.2
	5.4	0.2

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

15. DEFERRED TAXATION

The movement on deferred taxation in the period was as follows:

£m	As at 1 October 2023	As at 31 December 2022
Net asset at beginning of year	6.3	3.8
Credit to income for the period	4.7	2.5
Net asset at year end	11.0	6.3

The deferred taxation balances comprise:

£m	As at 1 October 2023	As at 31 December 2022
Short-term timing differences	–	0.4
Depreciation in excess of capital allowances	0.6	0.3
Losses	10.4	5.6
Deferred tax asset	11.0	6.3

Deferred tax is included within other debtors in the balance sheet.

The losses will be recovered from trading profits of the Company's UK subsidiaries in future years.

16. SHARE CAPITAL AND RESERVES

	Allotted and fully paid	
	Number	Value £m
Ordinary shares of 3p each		
At 1 January 2023	277,510,925	8.3
Issued in respect of share schemes	7,607,084	0.3
At 1 October 2023	285,118,009	8.6

All shares were issued at their par value of 3p during the period.

At a general meeting of the Company, every holder of ordinary shares present in person is entitled to vote on a show of hands and on a poll, every member present in person or by proxy and entitled to vote has one vote for every ordinary share held. Holders of ordinary shares may receive interim dividends approved by the Directors and dividends declared in general meetings. On liquidation and subject to a special resolution, the liquidator may divide among members in specie the whole or any part of the assets of the Company. There are no shares in issue that carry special rights with regard to control of the Company and there are no restrictions on the transfer of ordinary shares in the Company other than those that may be imposed by law or regulation from time to time.

The Company's reserves are as follows:

Share premium	Premium on shares issued in excess of nominal value, other than on shares issued in respect of acquisitions when merger relief is taken.
Profit and loss account	Cumulative net gains and losses recognised in the Profit and Loss Account and Statement of Changes in Equity.
Merger reserve	Premium on shares issued in respect of acquisitions when merger relief is taken.
Employee trust shares	Own shares held by the SIP and Employee Benefit trusts.
Other reserves	Non-distributable profit generated on Group reconstruction.

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

17. COMMITMENTS UNDER OPERATING LEASES

Total future minimum lease payments under non-cancellable operating leases are as follows:

£m	Other – motor vehicles	
	1 October 2023	31 December 2022
Within one year	1.0	0.7
Between one and five years	1.7	0.9
	2.7	1.6

18. SHARE-BASED PAYMENTS

Share-based payment expense per Statement of Changes in Equity:

£m	9 months ended	Year ended
	1 October 2023	31 December 2022
Share Incentive Plan (SIP)	3.7	1.5
Performance Share Plan (PSP)	2.5	0.8
Executive Long Term Incentive Plan (ELTIP)	2.2	0.8
Short Term Annual Bonus Plan (STABP)	0.3	0.3
Total share-based payment expense	8.7	3.4

A description of each plan is given in the accounting policies note. The following tables set out details of material share schemes activity:

SIP

Year of grant	Number outstanding 1 January 2023	New grants	Releases	Forfeits	Number outstanding 1 October 2023	Vesting conditions
2020	2,358,504	–	(2,349,443)	(9,061)	–	3 years
2021	1,413,011	–	(1,410,918)	(2,093)	–	3 years
2022	1,743,281	–	(1,741,562)	(1,719)	–	3 years
2023	–	46,712	(46,629)	(83)	–	3 years
	5,514,796	46,712	(5,548,552)	(12,956)	–	

Year of grant	Number outstanding 1 January 2022	New grants	Releases	Forfeits	Number outstanding 31 December 2022	Vesting conditions
2019	820,225	–	(754,936)	(65,289)	–	3 years
2020	2,763,796	–	(61,127)	(344,165)	2,358,504	3 years
2021	1,653,768	–	(37,719)	(203,038)	1,413,011	3 years
2022	–	1,823,463	(12,487)	(67,695)	1,743,281	3 years
	5,237,789	1,823,463	(866,269)	(680,187)	5,514,796	

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

18. SHARE-BASED PAYMENTS (continued)

PSP

Year of grant	Number outstanding 1 January 2023	New grants	Releases	Forfeits	Number outstanding 1 October 2023	Vesting conditions
2013	7,049	–	(6,248)	(801)	–	3 years
2014	11,506	–	(8,569)	(2,937)	–	3 years
2015	16,163	–	(15,895)	(268)	–	3 years
2016	30,029	–	(30,029)	–	–	3 years
2017	18,737	–	(18,737)	–	–	3 years
2018	61,466	–	(60,720)	(746)	–	3 years
2019	142,545	–	(134,343)	(8,202)	–	3 years
2020	688,351	–	(639,020)	(49,331)	–	3 years
2021	1,081,301	–	(636,863)	(444,438)	–	3 years
2022	878,229	–	(238,987)	(639,242)	–	3 years
	2,935,376	–	(1,789,411)	(1,145,965)	–	

Year of grant	Number outstanding 1 January 2022	New grants	Releases	Forfeits	Number outstanding 31 December 2022	Vesting conditions
2012	5,819	–	(4,969)	(850)	–	3 years
2013	14,540	–	(7,491)	–	7,049	3 years
2014	17,463	–	(5,957)	–	11,506	3 years
2015	31,036	–	(11,298)	(3,575)	16,163	3 years
2016	34,657	–	(2,760)	(1,868)	30,029	3 years
2017	30,524	–	(7,556)	(4,231)	18,737	3 years
2018	99,335	–	(37,123)	(746)	61,466	3 years
2019	464,783	–	(303,409)	(18,829)	142,545	3 years
2020	773,875	–	(6,540)	(78,984)	688,351	3 years
2021	1,234,947	–	(14,974)	(138,672)	1,081,301	3 years
2022	–	925,220	–	(46,991)	878,229	3 years
	2,706,979	925,220	(402,077)	(294,746)	2,935,376	

SIP

For the purposes of calculating the fair value of conditional shares awarded under the SIP, the fair value was calculated as the market value of the shares at the date of grant as participants are entitled to receive dividends over the three year holding period.

The Group assumed a 5% annual lapse rate as at the date of grant for the above schemes and all non-market-based performance conditions would be satisfied in full (see accounting policy 2(f)iii).

PSP

For the purposes of calculating the fair value of conditional shares awarded under the PSP, the fair value was calculated as the market value of the shares at the date of grant adjusted to reflect that participants are not entitled to receive dividends over the performance period.

All RPS Group share schemes were closed following the acquisition of the Company by Tetra Tech UK Holdings Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the nine-month period ended 1 October 2023

19. ULTIMATE PARENT COMPANY

At 1 October 2023 the Company's immediate parent company was Tetra Tech UK Holdings Limited, a company incorporated in England and Wales. The registered office of Tetra Tech UK Holdings Limited is 1 Northfield Road, Reading, Berkshire, RG1 8AH.

The ultimate parent company and controlling party was Tetra Tech, Inc., a company incorporated in the USA and registered on NASDAQ, which is the smallest and largest group of which the Company is a member. The registered office of Tetra Tech, Inc. is 3465 East Foothill Boulevard, Pasadena, California 91107, USA and copies of the consolidated financial statements can be obtained from this address.

20. POST BALANCE SHEET EVENTS

On 2 October 2023 RPS Group US Holdings Limited, a subsidiary undertaking, sold its entire investment in RPS Americas Inc, the parent company of the US sub-group. The Company received a dividend of £79.5 million from RPS Group US Holdings Limited following the disposal and made a gain on the disposal of its investment of £1.0 million.