

Company Registered Number NI021970

**Tetra Tech Management Services
(Northern Ireland) Limited**

Annual Report and Audited Financial Statements

For the year ended 3 October 2021

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Tetra Tech Management Services (Northern Ireland) Limited

Annual report and audited financial statements for the year ended 3 October 2021

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Tetra Tech Management Services (Northern Ireland) Limited

Annual report and audited financial statements for the year ended 3 October 2021

Officers and professional advisers

Directors

A Gillespie

Independent auditor

Grant Thornton UK LLP
Chartered Accountants and Statutory Auditor
No 1 Whitehall Riverside
Leeds
LS1 4BN
United Kingdom

Solicitors

DLA Piper UK LLP
160 Aldersgate Street
London
EC1A 4HT

Registered office

1 Locksley Business Park
Montgomery road
Belfast
BT6 9UP

Company registered number

NI021970

Tetra Tech Management Services (Northern Ireland) Limited

Strategic report

The director presents his strategic report for the year ended 3 October 2021.

Business review and principal activities

Tetra Tech Management Services (Northern Ireland) Limited ("the Company") is incorporated and domiciled in Northern Ireland and operated as multi-disciplinary consultants to the built and natural environment. The Company's turnover primarily derived from activities in the United Kingdom.

On 26 December 2020, the trade, assets and liabilities of the Company were acquired by Tetra Tech Consulting (NI) Limited at book value. From this date, the risk and benefit of any trading is attributable to Tetra Tech Consulting (NI) Limited. As a result of the group reorganisation, all of the company's obligations in relation to existing projects, from 27 December 2020, have been fulfilled by Tetra Tech Consulting (NI) Limited, and therefore the director has prepared the financial statements on the basis other than that of a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

The current year reporting period covers a period of 12 months which is not directly comparable to the presented comparatives which cover a period of 18 months. The extended period in the comparatives reflects the alignment of accounting periods to that of the ultimate holding company Tetra Tech Inc.

As with most businesses, the continuance of COVID-19 & restrictions in the general economy have had a considerable impact on our businesses however we have resumed operations through the year with the aim of delivering projects under government & local guidance. We have carefully put in place site procedures to enable us to re commence work while looking after the health and safety of all on our sites. We made careful use of industry guidance as it emerged and progressively recommenced site operations on an ongoing basis. The new procedures involved additional PPE (where required), applying social distancing measures as well as a range of other hygiene measures. These changes have allowed operations to pick up through the rest of the financial year & thus increase the delivery of our services in comparison to the prior year (on a like for like basis).

The company has put in place a Hybrid working policy across all locations to allow us to "Work alongside Covid-19" with investment in technology both from the office & home locations to continue delivery of services. We continue to carry out risk assessments to ensure we adapt to the new way of working and remain committed to supporting our colleagues to do this with health and safety being the upmost priority in everything we do.

The company recorded a profit for the year of £46,000 (2020: loss of £210,000) and net assets of £100 (2020: £1,850,000) as a result of ceasing to trade on the 26 December 2020.

Future outlook

There are no likely future developments to report. The company is not expected to continue trading in the future.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. While the company was trading, the key business risks and uncertainties affecting the company were considered to relate to:

- **Competition** - The company seeks to mitigate such risks by ensuring that it has an ongoing dialogue with these customers and by monitoring closely its business relationships with them.
- **Employee retention** – The company mitigates these risks through succession planning, overall performance and reward programme and share-based incentive scheme for senior management and setting appropriate notice periods and restrictive covenants – the company is prepared to act quickly if such a loss occurs.

The financial risk management objectives and policies of the Company are detailed in note 14 of the financial statements and in the risk management section of the Directors' report.

Upon ceasing to trade, the director has concluded that there are no principal risks and uncertainties to disclose as a result of the company ceasing to trade.

Tetra Tech Management Services (Northern Ireland) Limited

Strategic report

Key performance indicators

	12 months ended 3 Oct 2021	18 months ended 26 Sep 2020	
Increase in sales	(79.46)%	41.87%	Year on year sales movement expressed as a percentage
Operating margin (before separately disclosed items)	8.35%	2.97%	Ratio of operating profit, excluding separately disclosed items to sales expressed as a percentage

Section 172 (1) statement

The Directors of Tetra Tech Management Services (Northern Ireland) Limited consider, both individually and together, that they have acted in a way and in good faith to promote the success of the company for the benefit of its members as a whole (considering stakeholders and matters set out in section 172 of the Companies Act 2006) in decisions taken during the year to 3 October 2021.

A director of a company must act, in good faith, to promote the success of the company for the benefit of its members as a whole and in doing so have regards (amongst other matters to):

- The likely consequences to any long-term decision taken and the impact to all stakeholders are considered.
- The interest of the company's employees. Our people play a key role in helping us achieve our strategic priorities and committed and engaged employees are crucial to our success.
- The need to foster strong working relationships with suppliers, customers and others.
- The impact of the company's operations on our community and the environment, reducing our emissions and reducing our carbon footprint in the communities where we operate.
- The need to conduct business to the highest levels of integrity, ensuring that we and our customers and suppliers apply high standards in their social, environmental and ethical conduct.
- The need to treat all our stakeholders fairly building open and constructive relationships.

Further details of how we conduct our business relationships with all stakeholders can be found at: <https://investor.tetrattech.com/esg/default.aspx>

Approved by the Board of Directors and signed on behalf of the Board by:



A Gillespie
Director
9/8/2022

Tetra Tech Management Services (Northern Ireland) Limited

Directors' report

The directors present their annual report, together with the audited financial statements, for the year ended 3 October 2021.

Financial risk management

While trading, the company is exposed to several different risks in the normal course of business including liquidity, credit risks and interest rate risks.

Risk management is carried out by the ultimate parent's treasury department under policies approved by the Group. These principles are embedded in the Group Treasury and Cash Management Operating Guidelines and Procedures. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as currency exposure management, interest rate risk, working capital control and investment of excess liquidity. The company does not use derivative financial instruments for speculative purposes.

Credit Risk

Credit risk arises from deposits with banks and credit exposure to customers. The maximum exposure is the carrying amount of each financial asset included on the balance sheet. The Company has a customer credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Liquidity Risk

Liquidity risk arises from the company will not be able to meet its operational and working capital requirements. Cash flow forecasting is performed by the Company, along with regular review, monitoring and forecasting of working capital requirements overseen by the Group's treasury department.

Interest rate Risk

Liquidity risk arises from the company will not be able to meet its operational and working capital requirements. Cash flow forecasting is performed by the Company, along with regular review, monitoring and forecasting of working capital requirements overseen by the Group's treasury department.

Dividends

The company paid a dividend of £1,896,000 during the year (2020: £nil).

The director does not recommend a final dividend (2020: £nil).

Political contributions

The company made no political donations during the year (2020: £nil).

Research and development

Tetra Tech Management Services (Northern Ireland) Limited is engaged in R&D activities meeting the qualifying criteria of scientific or technological advancement and uncertainty were undertaken in the development of new or improved procedures/services/technologies, which were either integrated into existing Tetra Tech processes or developed independently to bring efficiencies during the implementation of the processes.

Qualifying R&D expenditure amounted to £12,000 – year (2020: £57,000 – 18 month period).

Future developments

Details of future developments can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

Post balance sheet events

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

Tetra Tech Management Services (Northern Ireland) Limited

Directors' report

Employee information

Our policy is to ensure there is adequate provision for the health, safety and welfare of our employees and of other people who may be affected by our activities. In addition to our robust duty of care and health and safety procedures we are also committed to our employees' wellbeing. We support flexible working and provide a Health and Wellbeing Handbook which includes the provision of free fruit, holistic health therapies, wellness checks, discounted gym membership, nutritional advice and a health cash plan. We also provide an employee assistance programme, free of charge, to all employees that offers impartial advice and support on issues such as personal finances, relationship issues or stress management.

Disabled employees and applicants are treated equally with others having regard to their ability, experience and the requirements of the job. We commit to making reasonable adjustments to be able to offer employment or continued employment within the Company.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company.

Statement of engagement with suppliers, customers and others in a business relationship with the company

Suppliers: The success of much of our business is greatly assisted by working closely with a portfolio of sub-contractors and suppliers with many having been involved with us for a considerable number of years. Whilst expecting high standards of performance and competitive pricing, we treat these parties with respect and have a very good reputation for prompt payment.

Shareholders: We create value for shareholders with the objective of generating strong and sustainable results. Tetra Tech Inc. and its directors along with the UK directors are responsible for the management of the business. All parties are committed to the long-term development of the company following the same core principles that have been committed to since the first days of the business.

Customers: We aim to have long term working relationships with many of our customers. We believe that our business ethics, our committed workforce enable us to provide a good service and an excellent product to those that we work for.

Directors

The directors who served during the year and up to the date of signing the financial statements are disclosed on page 1.

Basis of preparation of the financial statements

On 26 December 2020, the trade, assets and liabilities of the Company were acquired by Tetra Tech Consulting (NI) Limited at book value. The financial statements have therefore been prepared on a basis other than that of a going concern.

Directors' indemnities

As permitted by the Articles of Association, certain of the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Tetra Tech Management Services (Northern Ireland) Limited

Directors' report

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), comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions 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.

Statement on disclosure of information to the independent auditor

Each of the persons who is a Director at the date of the approval of this annual report confirms that there is no relevant audit information of which the Company's auditor is unaware.

Each Director has taken all reasonable steps to make himself 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.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Independent auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board by:



A Gillespie

Director

9/8/2022

Tetra Tech Management Services (Northern Ireland) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TETRA TECH MANAGEMENT SERVICES (NORTHERN IRELAND) LIMITED

Opinion

We have audited the financial statements of Tetra Tech Management Services (Northern Ireland) Limited (the 'company') for the year ended 3 October 2021, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 3 October 2021 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.

Basis for opinion

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

Emphasis of matter - basis of preparation of the financial statements

We draw attention to Note 3b to the financial statements, which describes the basis of preparation of the financial statements. As described in that note, the Company has ceased trading and accordingly the director has prepared the financial statements on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

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

Tetra Tech Management Services (Northern Ireland) Limited

Independent auditor's report to the members of Tetra Tech Management Services (Northern Ireland) Limited (continued)

Matter on which we are required to report under the Companies Act 2006

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 director's report.

Matters on which we are required to report by exception

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the director for the financial statements

As explained more fully in the director's responsibilities statement, the director is 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 director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

Tetra Tech Management Services (Northern Ireland) Limited

Independent auditor's report to the members of Tetra Tech Management Services (Northern Ireland) Limited (continued)

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations, where the consequence of non-compliance could reasonably be expected to have a material effect on the financial statements, from our general commercial and sector experience and through discussions with the company's management. We corroborated the results of our enquiries with those charged with governance and to supporting documentation such as our legal and professional expenses review.
- We determined that the laws and regulations most directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 'The Financial Reporting Standard applicable in the UK and Ireland', the Companies Act 2006) and relevant tax legislation in the UK.
- In addition, we concluded that there are certain significant laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material impact if non-compliance were to occur; health and safety regulations and employment law.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by making enquiries of management and those charged with governance, and updating our understanding of the company's operations, financial reporting obligations and control environment, including around compliance with laws and regulations. We considered the risk of fraud to be higher through the potential for management override of controls.
- Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud, particularly around journal processing;
 - Journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business;
 - Challenging assumptions and judgements made by management relating to its areas of significant estimation and judgement;
 - Reviewing legal and professional expenditure in the year to assess for any indicators of non-compliance with relevant laws and regulations;
 - Completion of audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements;
 - Identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - knowledge of the industry in which the company operates and understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
 - understanding of the legal and regulatory requirements specific to the company.

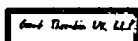
Tetra Tech Management Services (Northern Ireland) Limited

Independent auditor's report to the members of Tetra Tech Management Services (Northern Ireland) Limited (continued)

All team members are qualified accountants or working towards that qualification and are considered to have sufficient knowledge and experience of companies of a similar size and complexity, appropriate to their role within the team.

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.



Richard Woodward
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
9/8/2022

Tetra Tech Management Services (Northern Ireland) Limited

Profit and loss account

For the year ended 3 October 2021

	Statutory total 12 months ended 3 Oct 2021 £'000	Before Other items 18 months ended 26 Sep 2020 £'000	Other items 18 months ended 26 Sep 2020 £'000	Statutory total 18 months ended 26 Sep 2020 £'000
Revenue (note 5)	575	2,799	-	2,799
Operating expenses (note 6,7)	(527)	(2,716)	(12)	(2,728)
Operating profit	48	83	(12)	71
Profit/(loss) before tax	48	83	(12)	71
Tax on profit/(loss) (note 10)	(2)	(281)	-	(281)
Profit/(loss) attributable to the owners, being total comprehensive income	46	(198)	(12)	(210)

All activities relate to discontinued operations.

The accompanying notes to the financial statements are an integral part of the profit and loss account.

There is no other comprehensive income for the financial year (2020: £nil). Accordingly, no statement of other comprehensive income is given.

Tetra Tech Management Services (Northern Ireland) Limited

Balance sheet


3 October 2021

	Note	3 Oct 2021 £'000	26 Sep 2020 £'000
Current assets			
Debtors	11	-	3,840
Cash at bank and in hand		-	61
		<u>-</u>	<u>3,901</u>
Creditors – amounts falling due within one year	12	-	(1,485)
Net current assets		<u>-</u>	<u>2,416</u>
Total assets less current liabilities		<u>-</u>	<u>2,416</u>
Amounts falling due after one year			
Provision for liabilities	13	-	(566)
		<u>-</u>	<u>1,850</u>
Net Assets		<u>-</u>	<u>1,850</u>
Equity attributable to owners			
Called up share capital	15	-	4,435
Retained earnings	16	-	(2,585)
Total equity		<u>-</u>	<u>1,850</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accompanying notes to the financial statements are an integral part of the Balance Sheet.

The financial statements on pages 11 to 25 were approved by the Board of Directors on 9/8/2022 and signed on its behalf by:



A Gillespie

Director

Company registered number NI021970

Tetra Tech Management Services (Northern Ireland) Limited

Statement of Changes in Equity

For the year ended 3 October 2021

	Share capital £'000	Retained earnings £'000	Total £'000
Balance at 27 September 2020	4,435	(2,585)	1,850
Capital reduction	(4,435)	4,435	-
Dividends	-	(1,896)	(1,896)
Total comprehensive income:	-	46	46
Balance at 3 October 2021	-	-	-

	Share capital £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2019	4,435	(2,375)	2,060
Total comprehensive expense:	-	(210)	(210)
Balance at 26 September 2020	4,435	(2,585)	1,850

Tetra Tech Management Services (Northern Ireland) Limited

Notes to the Financial Statements (continued)

For the year ended 3 October 2021

1. General information

Tetra Tech Management Services (Northern Ireland) Limited is a private company limited by shares and is incorporated in the United Kingdom and registered in England & Wales. The address of the registered office is 3 Sovereign Square, Leeds, LS1 4ER.

The results of the company are included in the consolidated financial statements of Tetra Tech Inc,

2. Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

a. Basis of preparation

The financial statements cover a period of 18 months to align to the reporting date of Tetra Tech Inc. The results of operations are based on 52 or 53-week periods ending on the Saturday nearest September 30. The current year reporting date covers a period of 18 months which is not directly comparable to the presented comparatives which cover a period of 12 months.

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

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The financial statements are prepared in pounds sterling which is the functional currency of the Company and are rounded to the nearest £000.

b. Basis of preparation of financial statements

On 26 December 2020, the trade, assets and liabilities of the Company were acquired by Tetra Tech Consulting (Northern Ireland) Limited at book value as part of a group reorganisation. From this date, the risk and benefit of any trading is attributable to Tetra Tech Consulting (Northern Ireland) Limited and recorded in the financial statements of Tetra Tech Consulting (Northern Ireland) Limited.

As a result of the group reorganisation, all of the Company's obligations in relation to existing projects, from 27 December 2020, are being fulfilled by Tetra Tech Consulting (Northern Ireland) Limited, and therefore the directors have prepared the financial statements on the basis other than that of a going concern. This has had no material impact on the carrying value of the assets and liabilities of the Company.

c. Exemptions for qualifying entities under FRS 102

As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to the requirement to prepare a statement of cash flows.

Tetra Tech Management Services (Northern Ireland) Limited

Notes to the Financial Statements (continued)

For the year ended 3 October 2021

d. Consolidated financial statements

The company is a wholly owned subsidiary of Tetra Tech Group Limited and of its ultimate parent, Tetra Tech Inc. Tetra Tech Inc. is incorporated in the USA. It is included in the consolidated financial statements of Tetra Tech Inc. which are publicly available. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Tetra Tech Inc. Copies of Tetra Tech Inc. consolidated financial statements can be obtained from the company secretary at 3475 East Foothill Boulevard, Pasadena, California 91107, USA. Tetra Tech Inc. is the controlling party.

These financial statements are the company's separate financial statements.

e. Foreign currency translation

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

At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except where deferred in other comprehensive income as qualifying cash flow hedges.

f. Revenue recognition

Turnover is the amount derived from the provision of goods and services falling within the group's ordinary activities after deduction of trade discounts and value added tax. In the case of contract work, turnover reflects the contract activity of the year once contractual obligations have been met and is based on the directors' valuations of work carried out on each contract as set out below.

Revenue represents the value of work earned during the period on contracts by reference to total contract value and stage of completion. Stage of completion is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. For this purpose, the directors' estimate of attributable profits will include a proportion of the total profits anticipated to be made on the contract, to the extent that their realisation is reasonably foreseeable, based upon the directors' estimate of total contract costs. Revenue represents the value of work earned during the period on contracts by reference to total contract value and stage of completion. Stage of completion is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Retentions are recognised when invoices are raised. Provisions are made for work that is in dispute and turnover is reduced to reflect this.

Amounts recoverable on contracts is stated at cost plus attributable profits less foreseeable losses and progress payments received and receivable. Attributable profit is that proportion of the total profit currently estimated to arise over the duration of a contract, as earned at the balance sheet date. Appropriate provisions are made for slow moving and irrecoverable amounts recoverable on contract.

g. Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with independent actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the year in which they occur. They are recognised outside profit or loss and presented in the statement of recognised income and expense.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Tetra Tech Management Services (Northern Ireland) Limited

Notes to the Financial Statements (continued)

For the year ended 3 October 2021

Short term compensated absences

A liability for short-term compensated absences, such as holiday, is recognised in trade and other payables for the amount the Company may be required to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

h. Research and Development Expenditure Credits

Research and Development Expenditure credits have only been recognised where management believe that a claim will be recoverable based on the success of similar historical claims. Such credits are recognised as a credit to operating expenses in order to reflect the substance of these credits to the Company and cash flows are presented within operating activities.

i. Separately disclosed items

Items that are non-recurring or not related to underlying trading and whose significance is enough to warrant separate disclosure and identification within the financial statements are included within separately disclosed items.

j. Current and deferred taxation

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

The current income tax charge is calculated based on tax rates and laws that have been enacted or substantively enhanced by the balance sheet date in the country where the company operates and generates its income.

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

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if UN went all conditions for retaining associated tax allowances have been met; and
- where they relate to timing differences in respective interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

k. Debtors

Short term debtors are measured at transaction price less any impairment. At the end of each reporting period debtors are assessed for impairment using a broad range of information including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of future cash flows. The impairment loss is measured as the difference between transaction price and the best estimate of the recoverable amount.

l. Cash & cash equivalents

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise of cash at bank and other short-term highly liquid investments with a maturity of three months or less.

m. Provisions

Provisions are made for current and estimated obligations in respect of claims made by contractors and the general public relating to accident or other insurable risks as a result of the business activities of the Company.

Tetra Tech Management Services (Northern Ireland) Limited

Notes to the Financial Statements (continued)

For the year ended 3 October 2021

n. Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and trade creditors.

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

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

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

4. Significant judgements and key sources of estimation uncertainty

The key judgments made in applying accounting policies are as follows:

Recognition of revenue

In making the judgement the company prepares contract valuations in order to determine the level of revenue and costs to be recognised on individual contracts based on the stage of completion of the contract. These assessments are performed by qualified surveyors within the company. Management recognises profit on contracts when the profit can be measured reliably, and it is probable that the group will receive the consideration due under the contract. Where losses are expected on contracts these are recognised in full immediately these assessments include a degree of inherent uncertainty.

Professional indemnity claims

Provision is made on an assessment of claims and necessarily includes estimates as to the likely costs. All active claims are reviewed regularly. To the extent that actual claims and settlements differ from those projected, the provisions could vary significantly.

Amounts recoverable on contracts

Assessments are performed by appropriately qualified project managers in conjunction with management to conclude whether the valuation of these assets is appropriate. These assessments include a degree of judgement and inherent uncertainty as management assess for exposure to losses.

5. Revenue

The whole of the turnover and profit on ordinary activities before taxation is attributable to its principal business activities.

All revenue is generated in the UK and relates to provision of services.

Tetra Tech Management Services (Northern Ireland) Limited
Notes to the Financial Statements (continued)
For the year ended 3 October 2021

6. Separately disclosed items

	12 Months Ended 3 Oct 2021 £'000	18 Months Ended 26 Sep 2020 £'000
Restructuring costs	-	12

The Company has incurred material items in the prior period, whose significance is enough to warrant separate disclosure

The Directors believe that the operating profit before separately disclosed items gives a better view of underlying trading for the Company and enables the user of the accounts to more accurately understand the Company's performance. The other charges in the year are expected to be one off in nature. Consequently, the Directors believe it is appropriate to exclude them from operating profit before separately disclosed items.

Restructuring costs - Targeted head count reductions driven by optimisation of duplicative functions now available from acquisition.

7. Operating expenses

	12 months ended 3 Oct 2021 £'000	18 months ended 26 Sep 2020 £'000
Staff costs (note 9)	284	1,509
Other operating expenses	244	1,240
Operating income (Note 8)	(1)	(21)
	527	2,728

During the year, the audit fees for the Company were borne by Tetra Tech Group Limited. There were no non-audit fees incurred by the Company except for the amount of £32,500 in relation to tax compliance services for UK Group of companies. These fees were borne by Tetra Tech Group Limited.

Tetra Tech Management Services (Northern Ireland) Limited
Notes to the Financial Statements (continued)
For the year ended 3 October 2021

7. Operating expenses (continued)

Profit for the year has been arrived at after charging/(crediting):

	12 months ended 3 Oct 2021 £'000	18 months ended 26 Sep 2020 £'000
Impairment of trade debtors	-	43
R&D costs	99	471
R&D tax credit	(12)	(55)
Operating income (note 8)	(1)	(21)

8. Operating income

	12 months ended 3 Oct 2021 £'000	18 months ended 26 Sep 2020 £'000
Furlough income	<u>1</u>	<u>21</u>

Tetra Tech Management Services (Northern Ireland) Limited
Notes to the Financial Statements (continued)
For the year ended 3 October 2021

9. Employees and directors

	12 months ended 3 Oct 2021 Number	18 months ended 26 Sep 2020 Number
Monthly average by activity		
Technical	5	18
Administrative	-	1
	<u>5</u>	<u>19</u>
	£'000	£'000
Their aggregate remuneration comprised:		
Wages and salaries	233	1,242
Social security costs	26	134
Other pension costs (see note 17)	25	133
	<u>284</u>	<u>1,509</u>

In addition to the permanent staff, the Company utilises the services of agency and temporary contract staff as circumstances require.

There are no directors in a defined benefit scheme.

Director Emoluments

In 2021 and 2020 none of directors who served in the year were remunerated by the company.

Directors and key management personnel

The director, who is also the Key Management Personnel of the Company, was employed by a fellow subsidiary of Tetra Tech UK Consulting Group Limited to which they devote the substantial part of their time and accordingly receive no remuneration, fees or benefits from the Company.

Tetra Tech Management Services (Northern Ireland) Limited
Notes to the Financial Statements (continued)
For the year ended 3 October 2021

10. Tax

The tax charge for the current year is £2,000 (2020: £281,000).

	12 months ended 3 Oct 2021 £'000	18 months ended 26 Sep 2020 £'000
Corporation tax:		
Current year charge/(credit)	-	-
Adjustments in respect of prior years	<u>2</u>	<u>11</u>
Total current tax charge	2	11
Deferred tax:		
Origination and reversal of temporary differences	-	302
Effect of tax rate change on opening balances	<u>-</u>	<u>(32)</u>
Total deferred tax (credit) / charge	<u>-</u>	<u>270</u>
Total tax charge	2	281

In the Finance Bill 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021.

Factors affecting the current tax charge for the year

The tax charge for the year is lower (2020: higher) than the standard rate of corporation tax in the UK when applied to reported profit. The differences are explained below:

	12 months ended 3 Oct 2021 £'000	18 months ended 26 Sep 2020 £'000
Profit before tax	<u>48</u>	<u>71</u>
Profit before tax multiplied by the standard rate of UK corporation tax rate of 19% (2020: 19%)	9	13
<i>Tax effect of:</i>		
R&D expenditure credits	(2)	(11)
Adjustment to tax charge in respect of previous periods	2	11
Remeasurement of deferred tax for changes in tax rates	-	(34)
Deferred tax not recognised	<u>(7)</u>	<u>302</u>
Total tax charge	2	281

Tetra Tech Management Services (Northern Ireland) Limited
Notes to the Financial Statements (continued)
For the year ended 3 October 2021

11. Debtors

	3 Oct 2021 £'000	26 Sep 2020 £'000
Amounts falling due within one year		
Trade debtors	-	413
Less: provision for impairment of trade debtors	-	(107)
Trade debtors (net)	-	306
Amounts recoverable on contracts	-	257
Prepayments	-	6
Amounts owed by group undertakings	-	3,271
	-	3,840

Amounts recoverable on contracts are net of the provision of £nil (2020: £nil).

The amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

12. Creditors

	3 Oct 2021 £'000	26 Sep 2020 £'000
Amounts falling due within one year		
Payments received on account	-	1,385
Social security and other taxes	-	22
Other creditors	-	69
Accruals	-	9
	-	1,485

Tetra Tech Management Services (Northern Ireland) Limited

Notes to the Financial Statements (continued)

For the year ended 3 October 2021

13. Provisions for liabilities

	Claims £'000	Onerous Contracts £'000	Total £'000
At 27 September 2020	245	321	566
Transferred out (note 21)	(245)	(321)	(566)
At 3 October 2021	-	-	-

Professional indemnity claims

Provisions are made for current and estimated obligations in respect of claims made by contractors and the general public relating to accident and other insurable risks arising as a result of the business activities of the Company. Given the nature of these items, the expected timing of payments is uncertain.

Onerous contracts

Where contracts in place at the period end have become onerous i.e. it is considered the cost of fulfilling the contract is expected to outweigh the benefits, a provision is made to recognise the excess cost.

14. Financial instruments

	3 Oct 2021 £'000	26 Sep 2020 £'000
Financial assets		
Financial assets measured at amortised cost	-	3,895
Financial liabilities		
Financial liabilities measured at amortised cost	-	78

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, amounts recoverable on contracts and amount owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed to group undertakings and accruals.

The Company is exposed to several market risks in the normal course of business including foreign currency risks, credit risks and cash flow and interest rate risks.

Foreign currency risk

The Company is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than sterling, however, the level of these transactions is minimal and as a result the Company does not hedge everyday foreign currency transactions.

Credit risk

Credit risk arises from deposits with banks and credit exposure to customers, including outstanding receivables and invoiced work performed for these parties.

The Company has a customer credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At 3 October 2021 there were no significant concentrations of credit risk. The maximum exposure to credit risk is the carrying amount of each financial asset included on the balance sheet.

Fair values

Tetra Tech Management Services (Northern Ireland) Limited

Notes to the Financial Statements (continued)

For the year ended 3 October 2021

The fair values of the financial assets and liabilities of the Company are materially equivalent to their book value. Fair values have been calculated by reference to cash flows discounted at prevailing interest rates.

Liquidity risk

Cash flow forecasting is performed by the Company and all the operating entities in the Group. These are aggregated by Group finance. Established procedures are in place to ensure the operational and working capital requirements of the Company and Group can always be met. These include:

- Regular review, monitoring and forecasting of working capital requirements across Group companies
- Use of short term, local bank facilities
- Availability of funds from the ultimate parent company

Cash Flow and Interest Rate Risk

Following the acquisition by Tetra Tech Inc, revised facilities were agreed with HSBC for the UK group of companies, of which Tetra Tech UK Consulting Group Limited is an obligor company. The facility is now a £30m uncommitted bonding and debt facility, guaranteed by Tetra Tech Inc.

At 3 October 2021, all financial liabilities are floating rate liabilities.

15. Share Capital

	3 Oct 2021 £'000	26 Sep 2020 £'000
Authorised, issued and fully paid:		
100 (2020: 4,435,000) ordinary shares of £1 each	-	4,435

On 16 February 2021, the share capital of the company was reduced from 4,435,000 ordinary shares of £1 into 100 ordinary shares of £1.

16. Reserves

Retained earnings reflects the cumulative profits generated by the Company.

17. Retirement benefit schemes

The Company operates a defined contribution retirement benefit scheme for all UK qualifying employees with Aegon. The assets of the schemes are held separately from those of the Group in funds under the control of trustees.

Tetra Tech Management Services (Northern Ireland) Limited's contributions to the scheme for the year ended 3 October 2021 were £25,000 (2020: £133,000). At 3 October 2021, contributions of £nil (2020: £8,000) due in respect of the current reporting period had not been paid over to the scheme.

18. Contingent liabilities

Following the acquisition by Tetra Tech Inc, revised facilities were agreed with HSBC for the UK group of companies, of which Tetra Tech Management Services (Northern Ireland) Limited is an obligor company. The facility is now a £30m uncommitted bonding and debt facility, guaranteed by Tetra Tech Inc.

The company has a facility to issue bank guarantees to customers. Open guarantees have been assessed by the Directors and no provision is deemed necessary to be recognised (2020: nil).

Tetra Tech Management Services (Northern Ireland) Limited

Notes to the Financial Statements (continued)

For the year ended 3 October 2021

19. Related party transactions

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

20. Ultimate parent undertaking

The immediate parent undertaking is Tetra Tech Management Services Limited.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Tetra Tech Inc. Copies of Tetra Tech Inc. consolidated financial statements can be obtained from the company secretary at 3475 East Foothill Boulevard, Pasadena, California 91107.

21. Business combinations

On 26 December 2020, the trade, assets and liabilities of the Company were acquired by Tetra Tech Consulting (NI) Limited at book value. From this date, the risk and benefit of any trading is attributable to Tetra Tech Consulting (NI) Limited.

	Total
	£000
Debtors	3,966
Cash and cash equivalents	(14)
Creditors – amounts falling due within one year	(1,489)
Provisions for liabilities	(566)
Total identifiable new assets	1,897
Consideration paid via intercompany account	1,897