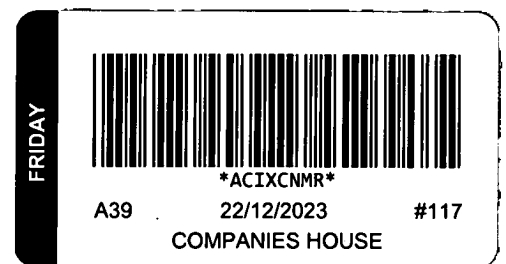


Company registration number 01205149 (England and Wales)

**MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	G R Mawditt P F Shrieve (Appointed 14 March 2022)
<b>Secretary</b>	Pinsent Masons Secretarial Limited
<b>Company number</b>	01205149
<b>Registered office</b>	1 Park Row Leeds West Yorkshire United Kingdom LS1 5AB
<b>Auditor</b>	Azets Audit Services Ashcombe Court Woolsack Way Godalming Surrey United Kingdom GU7 1LQ

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# **MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED**

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# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present the strategic report for the year ended 31 December 2022.

### Review of the business

MatthewsDaniel London provides loss adjusting solutions in the energy, marine, mining, renewables and heavy engineering industries. The company also supports the wider MatthewsDaniel Group's activities within the London insurance market.

The loss for the 2022 financial year was circa £1.4m (against a loss in 2021 of circa £100k). The primary drivers for the loss were increased bad debt provision; and an increase in one-off costs arising from significant re-structuring. The anticipated rebound following the Covid-19 downturn was not achieved, largely as a result of reduced work in Russia following the Russian invasion of Ukraine; and a reduction in revenue arising from staff attrition.

MatthewsDaniel continues to be recognised as a well-established, market leading brand in the energy and associated markets, and this is reflected in the strong final quarter against the quiet start to the year. Looking ahead to 2023, the objective is to reverse the trend by consolidating, retaining current staff and attracting new talent, in order to re-build and return the company to profit.

### Principal risks and uncertainties

The principal risks and uncertainties faced by the company fall under a number of key headings:

#### Strategic Risk

##### Industry Cycles:

Energy Industry Cycle - level of investment drives level of activity;

Insurance Market Cycle - low premium rates / deductible levels impact underwriters' cost perception.

##### Geopolitical Events

Trade sanctions;

War in Ukraine.

Both have direct impacts on the energy and insurance markets; this risk is principally managed by maintaining a diverse portfolio of work, both in terms of class and industry of business, and through the regions in which we conduct our business.

#### Operational Risk

*Staff attrition and retention* - Increasing expense to recruit and retain experienced staff, in particular given the competition in the market place. This risk is managed by employing staff with backgrounds in other industries and minimising competition for staff in a small market. By delegating activities previously carried out by senior staff to higher margin staff, the company is able to help mitigate the effect of wage inflation vs charge-out rates.

#### Financial Risk

Previously stagnant, charge-out rates were increased in 2022 for the first time in several years.

Increasing employment costs – see above;

Owing to the nature of the work and the often diverse subscription markets the company operates for, billing intervals can be long, and the time required to collect associated debt can be onerous. The company aims to mitigate this risk by regular monitoring of WIP levels and by the efficient management of the in-house credit control function.

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### Key performance indicators

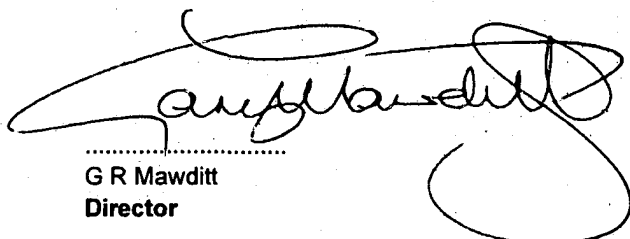
Production has remained consistent, reducing by just 4% from last year (2021 -14%).

The trading margin deterioration in the year is attributable to a combination of factors, as detailed above.

Operating cash flow decreased in 2022 alongside the decrease in operating profit, for the same reasons.

Debtor days have remained relatively consistent, going from 208 days in 2021 to 220 days in 2022, which reflects the fragmented nature of the markets the company works for. We continue to maintain focus on cash collection, including engagement with process improvement initiatives from head office, and there remains scope for improvement.

Finally, the foreign exchange risk is managed centrally at BV Head office level, mitigated by the group-level treasury functions.



.....  
G R Mawditt  
Director

Date: December 20, 2023  
.....

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present their annual report and financial statements for the year ended 31 December 2022.

#### Principal activities

The principal activity of the company continued to be that of providing loss adjusting solutions in the energy, marine, mining, renewables and heavy engineering industries.

#### Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

H Kennaway	(Resigned 7 December 2022)
G R Mawditt	
P F Shrieve	(Appointed 14 March 2022)
D C Cox	(Resigned 1 August 2022)

#### Statement of directors' responsibilities

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). 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

#### Matters covered in the Strategic report

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments, risk management policies and exposure to price, credit, liquidity and cash flow risks.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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On behalf of the board



G R Mawditt  
Director

Date: December 20, 2023

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

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#### Opinion

We have audited the financial statements of Matthews-Daniel International (London) Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 31 December 2022 and of its loss 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.

#### 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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

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



# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

---

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

*In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.*

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

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

#### **Responsibilities of directors**

As explained more fully in the 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

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#### **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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

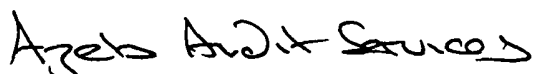
In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **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.



**James Leigh**  
**Senior Statutory Auditor**  
For and on behalf of Azets Audit Services

Date: 20/12/23

**Chartered Accountants**  
**Statutory Auditor**

Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
United Kingdom  
GU7 1LQ

# **MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED**

---

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

#### **Responsibilities of directors**

As explained more fully in the 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover		6,002,560	6,243,189
Administrative expenses		(7,547,225)	(6,355,017)
Other operating income		58,899	-
<b>Operating loss</b>	<b>4</b>	<b>(1,485,766)</b>	<b>(111,828)</b>
Interest receivable and similar income	<b>7</b>	85,892	3,614
Interest payable and similar expenses	<b>8</b>	-	(9,266)
<b>Loss before taxation</b>		<b>(1,399,874)</b>	<b>(117,480)</b>
Tax on loss	<b>9</b>	12,844	50,138
<b>Loss for the financial year</b>		<b>(1,387,030)</b>	<b>(67,342)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		36,839		63,208
Investments	11		2		20,110
			<u>36,841</u>		<u>83,318</u>
<b>Current assets</b>					
Debtors	13	7,165,479		7,101,591	
Cash at bank and in hand		22,290		41,886	
		<u>7,187,769</u>		<u>7,143,477</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(7,656,998)</u>		<u>(6,272,153)</u>	
<b>Net current (liabilities)/assets</b>			<u>(469,229)</u>		<u>871,324</u>
<b>Net (liabilities)/assets</b>			<u>(432,388)</u>		<u>954,642</u>
<b>Capital and reserves</b>					
Called up share capital	17		5,000		5,000
Share premium account			95,987		95,987
Profit and loss reserves			<u>(533,375)</u>		<u>853,655</u>
<b>Total equity</b>			<u>(432,388)</u>		<u>954,642</u>

The financial statements were approved by the board of directors and authorised for issue on December 20, 2023 and are signed on its behalf by:

  
 .....  
 G R Mawditt  
 Director

Company Registration No. 01205149

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

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	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2021</b>	5,000	95,987	920,997	1,021,984
<b>Year ended 31 December 2021:</b>				
Loss and total comprehensive income for the year	-	-	(67,342)	(67,342)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2021</b>	5,000	95,987	853,655	954,642
<b>Year ended 31 December 2022:</b>				
Loss and total comprehensive income for the year	-	-	(1,387,030)	(1,387,030)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2022</b>	<u>5,000</u>	<u>95,987</u>	<u>(533,375)</u>	<u>(432,388)</u>

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

##### Company information

Matthews-Daniel International (London) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Park Row, Leeds, West Yorkshire, United Kingdom, LS1 5AB.

##### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 3 Financial Statement Presentation paragraph 3.17(d);
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements contain information about Matthews-Daniel International (London) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 401 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated financial statements of Bureau Veritas International SAS, a non-UK entity. See note 20 for the registered office of Bureau Veritas International SAS.

##### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources due to support being provided by the wider group to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Turnover

Turnover represents the amounts including recoverable expenses receivable for services rendered during the year and is stated net of value added tax. Turnover is recognised when the right to consideration has arisen through the performance under each contract. Consideration accrues as the contract progresses by reference to the value of work performed. Turnover which has not been billed at the Balance sheet date is shown as unbilled revenues within debtors.

##### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10% Straight Line
Fixtures and fittings	15 - 33.33% Straight Line
Computers	15 - 33.33% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.



# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

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

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

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

#### **1.12 Retirement benefits**

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

#### **1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements have had the most significant effect on amounts recognised in the financial statements:

- Determine the recoverability of trade debtors at year end taking into account assessment of financial ability of customer to pay and past payment history to determine recoverable amount. Service disputes are also taken into account in the overall assessment of what is recoverable.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Turnover

Turnover for any financial period consists of invoices raised for each project plus the effect of changes in deferred and accrued income on the project. The calculation of deferred and accrued income relies on both the details of the project to date and estimations of the revenue and costs to the completion of the contract. The estimate of total contract costs and revenues are reviewed periodically.

#### 3 Turnover and other revenue

The whole of turnover is attributable to the principal activity of the company, being the rendering of services.

All turnover arose within the United Kingdom.

#### 4 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging:		
Exchange losses	113,322	18,300
Fees payable to the company's auditor for the audit of the company's financial statements	55,000	40,500
Depreciation of owned tangible fixed assets	44,597	41,649
Operating lease charges	405,188	336,154

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Loss adjusting	18	19
Administration	8	9
Total	26	28

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	3,120,364	3,125,616
Social security costs	367,170	335,415
Pension costs	264,781	264,264
	3,752,315	3,725,295

### 6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	888,167	730,663
Company pension contributions to defined contribution schemes	54,974	76,126
	943,141	806,789

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	361,271	418,022
Company pension contributions to defined contribution schemes	20,824	20,250

Personal pension payments have been made in respect of 3 (2021 - 3) directors.

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 7 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Interest receivable from group companies	85,892	-
<b>Income from fixed asset investments</b>		
Income from shares in group undertakings	-	3,614
Total income	<u>85,892</u>	<u>3,614</u>

### 8 Interest payable and similar expenses

	2022 £	2021 £
Interest payable to group undertakings	-	9,266

### 9 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	2,747	-
Adjustments in respect of prior periods	(7,539)	(37,248)
Total current tax	<u>(4,792)</u>	<u>(37,248)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(8,052)</u>	<u>(12,890)</u>
Total tax credit	<u>(12,844)</u>	<u>(50,138)</u>

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 9 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(1,399,874)	(117,480)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(265,976)	(22,321)
Tax effect of expenses that are not deductible in determining taxable profit	38,536	17,806
Tax effect of income not taxable in determining taxable profit	-	(687)
Unutilised tax losses carried forward	235,443	-
Adjustments in respect of prior years	(7,539)	(37,248)
Effect of change in corporation tax rate	(8,052)	(7,688)
Permanent capital allowances in excess of depreciation	(8,003)	-
Withholding tax	2,747	-
Taxation credit for the year	(12,844)	(50,138)

#### 10 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>				
At 1 January 2022	374,465	446,086	336,694	1,157,245
Additions	-	5,700	12,527	18,227
Disposals	-	(402,023)	(310,178)	(712,201)
At 31 December 2022	374,465	49,763	39,043	463,271
<b>Depreciation and impairment</b>				
At 1 January 2022	374,465	407,266	312,306	1,094,037
Depreciation charged in the year	-	19,797	24,800	44,597
Eliminated in respect of disposals	-	(402,024)	(310,178)	(712,202)
At 31 December 2022	374,465	25,039	26,928	426,432
<b>Carrying amount</b>				
At 31 December 2022	-	24,724	12,115	36,839
At 31 December 2021	-	38,820	24,388	63,208

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 11 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	12	2	20,110

#### Movements in fixed asset investments

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 January 2022 & 31 December 2022	20,110
<b>Impairment</b>	
At 1 January 2022	-
Impairment losses	20,108
At 31 December 2022	20,108
<b>Carrying amount</b>	
At 31 December 2022	2
At 31 December 2021	20,110

### 12 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Matthews Daniel International (Norge) AS	Grev Wedels Plass 5, No 0151 Oslo, Norway	Ordinary	100.00

### 13 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,151,301	3,149,632
Corporation tax recoverable	91,902	329,587
Amounts owed by group undertakings	139,626	268,540
Other debtors	97,888	166,137
Unbilled revenue	3,644,676	3,155,661
	7,125,393	7,069,557



# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 13 Debtors (Continued)

	2022 £	2021 £
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 15)	40,086	32,034
<b>Total debtors</b>	<b>7,165,479</b>	<b>7,101,591</b>

### 14 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	292,188	273,296
Amounts owed to group undertakings	6,429,585	4,928,601
Taxation and social security	252,509	228,695
Other creditors	282,668	313,427
Accruals and deferred income	400,048	528,134
	<b>7,656,998</b>	<b>6,272,153</b>

### 15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2022 £	Assets 2021 £
<b>Balances:</b>		
Accelerated capital allowances	24,621	22,014
Tax losses	15,465	10,020
	<b>40,086</b>	<b>32,034</b>
<b>Movements in the year:</b>		<b>2022 £</b>
Asset at 1 January 2022		(32,034)
Credit to other comprehensive income		(8,052)
Asset at 31 December 2022		<b>(40,086)</b>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

# MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 16 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	264,781	264,264

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 17 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
'A' Ordinary shares of £1 each	2,550	2,550	2,550	2,550
'B' Ordinary shares of £1 each	2,450	2,450	2,450	2,450
	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

The 'A' and 'B' ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

#### 18 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	380,000	380,000
Between two and five years	475,000	855,000
	<u>855,000</u>	<u>1,235,000</u>

#### 19 Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 s.33 1A not to disclose transactions with other wholly owned members of the group.

The directors are considered to be key management personnel of the company and therefore the company has applied the exemption available under Section 33.7a of FRS 102 not to disclose key management personnel compensation.

# **MATTHEWS-DANIEL INTERNATIONAL (LONDON) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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### **20 Ultimate controlling party**

The immediate parent company is Matthews-Daniel Holdings Limited.

The ultimate parent company is Bureau Veritas SA, a company incorporated in France.

The largest and smallest group in which the results of the company are consolidated is that headed by Bureau Veritas International SAS whose registered address is 67/71 Boulevard du Chateau, 92571, Neuilly sur Seine Cedex.

Copies of the consolidated financial statements are available on [www.group.bureauveritas.com](http://www.group.bureauveritas.com).