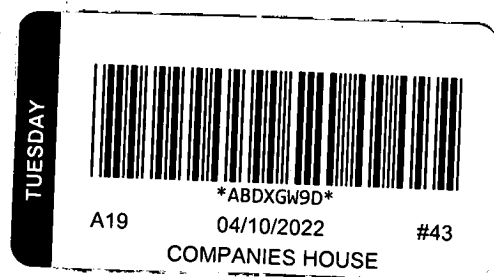


Company registration number: 1758622 (England and Wales)

BUREAU VERITAS UK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



BUREAU VERITAS UK LIMITED

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BUREAU VERITAS UK LIMITED

COMPANY INFORMATION

Directors

P. Shrieve (resigned 31 December 2021)
K. Smith
C. White (resigned 26 April 2022)
D. Ainsworth (resigned 26 April 2022)
S. Gorman
P. Cegar (appointed 4 January 2022)
S. Lea (appointed 4 January 2022)

Company Secretary

D. Ainsworth (resigned 26 April 2022)

Company number

1758622

Registered office

Suite 206 Fort Dunlop
Fort Parkway
Birmingham
West Midlands
B24 9FD

Independent auditors

Ernst & Young LLP
2 St. Peter's Square
Manchester
M2 3EY

Bankers

NatWest Bank
699 Wilmslow Road
Didsbury
Manchester
M20 0RE

BUREAU VERITAS UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report on the company for the year ended 31 December 2021.

Principal activities

The business provides a broad range of compliance, health and safety, quality and environmental services through three divisions: Compliance Management, Industry and BV Solutions. The Compliance Management division provides electrical and mechanical inspection and testing services. The Industry division provides inspection and verification services to oil and gas, power generation and manufacturing companies. The BV Solutions division provides health, safety and environmental assessment and solutions.

Business review

The Company's loss after taxation for the financial year is £758,000 (2020: profit £1,688,000) which was primarily driven by the impairment charge of £3,009,000 in relation to BV Building Control. Our gross profit increased by 32.5% during the year due to a return to normal trading conditions following the Covid-19 pandemic. In addition to this our operating profit increased by 46.4%.

The Company has net assets of at the year end £45,895,000 (2020: £47,770,000).

The operating environment is highly competitive. Onshore, there is a close link to the insurance market, and to intermediaries such as insurance brokers and facility management companies through whom our services are frequently delivered. Offshore, the market is heavily influenced by the performance of the major oil companies. As a consequence our business is subject to the vagaries of both the current soft insurance market, and impact of oil prices. We also now operate in integrated, multi-disciplined consultancy to clients across the construction industry.

We intend to become a leader in our industry and a major player in each of our market segments and key geographical markets. We aim to deliver economic value to customers through Quality, Health, Safety, Environment and Social Responsibility management of their assets, projects, products and systems, resulting in licence to operate risk reduction and performance improvement. We seek to do this by delivering consistently high quality, and integrated services to our diverse client base.

Key performance indicators ("KPI's")

The company's directors consider various KPI's on a frequent basis. These include turnover, gross profit, operating profit and average number of employees.

	2021 £000	2020 £000	Movement %
Turnover	78,467	81,701	(4.0%)
Operating profit	3,325	2,291	46.4%
Gross profit	34,802	33,331	4.5%
Average headcount*	845	845	-

*average headcount is not in £'000's

Future developments

Whilst the current economic climate can be described as challenging, the directors consider that the company is well placed to perform satisfactorily in the future.

No other significant change in the business activity is expected.

Non-financial risks

The key risk in this market is the ability to recruit and retain business development leaders and engineers of the necessary quality and experience to deliver the sales growth and client delivery levels. Structured and focussed recruitment campaigns are run as necessary and staff training and development programmes and incentive schemes are designed to promote staff retention.

BUREAU VERITAS UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effect of changes in credit risk and liquidity risk.

The Company is indirectly exposed to fluctuations in the price of oil and gas, as some of its key clients operate in these markets.

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure of any individual counterparty is subject to a limit which is assessed regularly by the board.

All the Company's debt is inter-company and the interest rate risk, liquidity risk and cash-flow risk is managed by the Bureau Veritas SA board.

Risks and opportunities looking ahead

The growth within the UK business continues in line with the Strategic Plan 2025 (SP25). This plan sets out a clear focus on market sectors and diversification of service portfolio underpinned by our people and client centricity. The key client centricity has enabled continued growth in these accounts through our client growth and through broadening the services we offer enabling our clients to manage their QHSE and sustainability risks effectively. Significant growth continues within our nuclear and engineering inspection businesses driven by the energy infrastructure projects and statutory compliance and rigour respectively and we expect this to continue with the UK Government approach to nuclear as a core energy source and the drive for engineering safety compliance. This is balanced with the way we are managing any risks as well as opportunities associated with political and economic uncertainty in UK seen due to Brexit and global trading environment for UK companies. Delays in capex projects and associated spend in this environment is expected which we must balance with continuing to broaden our client base and service offering through our growth plans.

COVID-19

The COVID-19 pandemic has had a significant impact on all businesses in the UK in 2021 and to the date of writing. The approach taken by the company from our key purpose of "making the world a safer place", can be broken down into three elements: Protect our People; Protect our Clients; and Protect the Company.

Although the UK is progressing out of the pandemic the Company continues to consider the potential long-term impact of the pandemic and have determined that there are several possible areas of risk for Bureau Veritas UK Limited including:

- Recruitment and retention of key staff
- Ongoing UK wide inflationary issues
- Changes in working practices such as social distancing

To mitigate these risks are undertaking various actions such as ongoing recruitment including internal referral schemes offering cash incentives, strong internal control over bidding and pricing of work to ensure profitability and client relationships are strongly maintained and finally providing all on site staff with the necessary tools to perform their work safely and the introduction of hybrid working practices for non-chargeable staff.

BUREAU VERITAS UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

S172 Statement 2021

The Directors recognise their responsibility to act in a way which promotes the success of the company for all stakeholders, in line with Section 172(1) of the Company Act 2006, and as such, has evaluated its key stakeholders and how we have engaged with them during the year.

Stakeholder Group	Why we engage	How we engage
Employees	The success of the company relies upon our employees being committed to our strategy, ethics and core values. We are committed to being a responsible business and our values of 'Open and Inclusive', 'Trusted', 'Responsible' and 'Ambitious and Humble' are embedded into our ways of working, as well as our performance management processes. Providing such an environment for all of our people is a long-term commitment and it is important for retention and business success. We engage regularly with our employees to ensure we create a safe environment. As a professional services provider, we strive to attract, engage, develop and retain highly skilled professionals across a wide range of specialities, both technical and non-technical.	We hold regular communications meetings in order to share performance, strategy and to actively seek feedback. We hold quarterly roadshow sessions, either in person or virtual in which the UK CEO and Leadership team present on business performance, targets and recognition of key successes. We run annual employee engagement surveys 'BVocal' to enable all employees to share their views on working at Bureau Veritas and provide free text comments and suggestions. We implement action plans as a result of this feedback, and this determines our focus areas during the next financial year. We have also conducted Diversity and Inclusion surveys in 2021 to understand how our employees feel in more detail. We have implemented improved recognition platforms to recognise and celebrate service anniversaries and encourage peer to peer recognition. We hold annual conference events and regular briefings with all people managers every two weeks. We continue to invest in development for our Talent and High Potential groups in the business. We also continue to support employee wellbeing topics with a range of benefits from access to virtual GPs and employee assistance programs. We have provided training on mental wellbeing and resilience and continue to invest in mental health first aid practitioners. We have established Employee Resource Groups focused on Gender, Culture Ethnicity and LGBT+.

BUREAU VERITAS UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Stakeholder Group	Why we engage	How we engage
Clients	Building solid and long-standing relationships with our clients is fundamental to the success of our company. We pride ourselves on providing excellent client service and evolving service products that meet all client requirements across a wide range of Test, Inspection and Certification needs, with a strong focus on health, safety, sustainability and the environment.	Our commercial team have regular communication with our clients to ensure we are meeting their requirements and working collaboratively for future developments. Client visits and on-site audits and feedback surveys are regular occurrences both as part of the service we provide and also to review performance, future enhancements and other services that would be of benefit to our clients. To assess and map our progress we measure complaints and our client service through surveys to inform our Net Promoter Score (NPS). Based on such feedback we develop actions that enable continual improvement. This has led to significant reduction in our complaints and a continued increase in our NPS score to achieve the targets we have set.
Suppliers	In order to be flexible and adaptable to our client's needs, we retain a large and versatile supply base to ensure we maintain the flexibility to provide a wide range of specialist capabilities as required by our clients.	In addition to annual reviews (which includes confirmation of key compliance matters including Code of Ethics, insurance, amongst others) of our suppliers by our supply chain team, our operational teams also have regular interaction with suppliers. Regular sessions are also commonplace to review performance and service delivery. We work collaboratively and set reasonable expectations in open and honest working relationships. We also enable the payment of our suppliers to the agreed terms.

BUREAU VERITAS UK LIMITED**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

Stakeholder Group	Why we engage	How we engage
Community	We care about our community and are passionate about creating a better world as part of our corporate values and our strategic goals.	<p>We actively take part in and support national schemes and initiatives that are aligned to our ethics and Corporate Social Responsibility Strategy. During 2021 we developed our BV UK Volunteering programme in the UK (Be Part Of It) ready for launch in 2022. As underpinned by our purpose "shaping a better world", we encourage employees who wish to volunteer. Celebrating and acknowledging diversity and inclusion within the communities we work in include International Women's Day, Women in Engineering Day, PRIDE, Black Lives Matters, Menopause Awareness to name a few.</p> <p>We also continues to offer its Forces Recruitment initiative with the aim of offering careers for military leavers at BV.</p>
Environment	We are aware of our responsibilities to the environment and the impact it has on the wider world. Given the industry we operate in and the services we offer to our clients to monitor and improve their environmental and sustainability performance, we believe we have a moral obligation to reduce our own environmental impact and always apply more environmentally friendly practices where practicable.	<p>Social and environmental responsibility is one of our core Values alongside Integrity and Ethics, Impartiality, and Respect for all individuals. This is also an area of strategic focus in the services we offer to clients. As a professional services company our carbon footprint mainly arises from business travel. As such a key focus for us is therefore to minimise and optimise travel to reduce the associated environmental impact. We saw a reduction again in our mileage during the year whilst growing the business and also offer electric vehicles to all eligible employees. The further development of remote inspection and auditing techniques will continue to reduce our environmental impact. We accelerated our carbon offsetting activities during 2021 and this meant that we achieved a Net Zero impact – 9 years ahead of our 2030 objective.</p>

BUREAU VERITAS UK LIMITED**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

Stakeholder Group	Why we engage	How we engage
Shareholders	Whilst we run autonomously, the support from our shareholder is essential in ensuring we hit our long-term growth objectives. We create value for our shareholder by generating strong results that we can translate into dividends whilst strengthening the balance sheet.	We maintain open dialogue with our shareholders throughout the year via our Group organisation, both on an ad-hoc basis and via regular formal operating reviews. We ensure our communication is consistent, regular and clear. Areas of focus for the shareholder include revenue growth, working capital management and service development.

On behalf of the board



K Smith
Director
29 September 2022

BUREAU VERITAS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the audited financial statements of the company for the year ended 31 December 2021.

Future developments

An indication of the likely future developments of the business is included in the Strategic Report on page 2.

Dividends

The Company paid an interim dividend in respect of the year ended 31 December 2021 of £1,703,500 on 29 October 2021 (2020: £2,541,000).

Based on the information available at the time the dividend was declared the directors were of the view that the company had sufficient distributable reserves to pay the dividend. Subsequently, in December 2021, indicators of impairment relating to the company's investment in Bureau Veritas Building Control UK Limited were identified. An impairment charge of £3.0m was recorded which resulted in the company having a negative balance on the P&L reserve of £171,000 at 31 December 2021. The directors will not declare any future dividends until there are sufficient distributable profits from which to pay them.

Financial risk management

Financial risk management is described in the Strategic Report on page 3.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

P. Shrieve (resigned 31 December 2021)
K. Smith
C. White (resigned 26 April 2022)
D. Ainsworth (resigned 26 April 2022)
S. Gorman
P. Cegar (appointed 4 January 2022)
S. Lea (appointed 4 January 2022)

Directors' indemnities

As permitted by the Articles of Association, 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. This is purchased by Bureau Veritas SA on behalf of the Directors. The indemnity was in force throughout the last financial year and is currently in force.

Policy and practice on payment of creditors

The company is a supporter of the Better Payment Practice Group's 'Better Payment Practice Code' to which it subscribes when dealing with its suppliers. Copies of the Better Payment Practice Group's code are available from the Department for Business, Innovation & Skills (BIS). It is the company's policy in respect of all suppliers to agree payment terms in advance of the supply of goods and services and to adhere to those payment terms.

Employment of disabled persons

It is the policy of the Company to give full and fair consideration to applications for employment received from disabled persons. Within the limitations of their abilities, they are given the same opportunities for training, career development and promotion as are available to other employees and if necessary, retraining is given to an employee who becomes disabled whilst in the Company's employment.

BUREAU VERITAS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Employee involvement and health and safety at work

The Company is committed to the development of employees and thereby, to employees' greater involvement in its operations. During the year the Company has provided training for employees at all levels through a structured programme of courses, seminars and workshops. The Company has also regularly updated employees on financial performance through presentations given by senior management. The policy of the Company is to ensure, as far as it is able to do so, the health, safety and welfare of everyone engaged in or affected by its business.

The Company endorses the active application of equal opportunities policies and programmes to provide fair and equitable conditions for employees regardless of sex, family status, religion, creed, colour, ethnic origin, age or disability.

Streamlined Energy and Carbon Reporting (SECR) (*2020 figures covered the period 1st October 2019 to 30 September 2020)

UK Greenhouse gas emissions and energy use data for the period 1 January 2021 to 31 December 2021	2021	2020*
Energy consumption used to calculate emissions (kWh)	282,205	313,286
Scope 1 emissions in kg CO₂e		
Fuel	139	284
ODS (fugitive emissions)	2,031	7,431
Business travel (company car)	1,970,773	897,367
Scope 2 emissions in kg CO₂e	54,155	
Electricity purchased – Market based	-	119,211
Electricity purchased – Location based	-	66,809
Scope 3 emissions in kg CO₂e		
Business travel (excluding company car)	34,067	435,808
Water	50	160
Paper	285	670
Total amount of CO ₂ offsets purchased – Shell Carbon Offset*	(2,061,500)	(374,543)
Total net emissions in kg CO₂e	-	1,153,198
Intensity ratio kg CO₂e per FTE	2,620	1,826

* Total amount of CO₂ offsets purchased – Shell Carbon Offset is 2,409,010kg, for the period 1 October 2020 to 31 December 2021

BUREAU VERITAS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Streamlined Energy and Carbon Reporting (SECR) (Continued)

Quantification and reporting methodology

We have followed the GHG Reporting Protocol – Corporate Accounting and Reporting Standard published by the World Resources Institute in March 2004 as part of a co-ordinated approach across the Bureau Veritas Group in the calculation methodology. Unit conversion is based on conversion factors published by the UK government Department for Business, Energy and Industrial Strategy.

For 2020, in the case of emissions applying to more than one group company the figures disclosed above have been apportioned from internal reporting to Bureau Veritas UK Limited based on FTE headcount. During the current year the group transitioned to a quarterly reporting system by legal entity. This removed the need for an allocation to be performed and will provide more consistent data going forward but consequently there are some classification differences between the 2020 and 2021 reporting.

Intensity measurement

The chosen intensity measurement ratio is kg CO₂e per full time equivalent (FTE) employee.

Measures taken to improve energy efficiency

Our continued commitment to reduce our net carbon impact is focused on achieving a 50% reduction by 2025 based on our 2020 baseline and to be carbon neutral by 2030. The 2021 Offset programme was carried out against the bulk of Company Car users through Shell. We achieved the 50% reduction in net carbon impact well ahead of the 2025 target and will look to accelerate our journey to being carbon neutral.

This includes focus on modes of transport and on driving efficiency, with an employee incentive scheme designed to improve driving efficiency. We have 420 vehicles in our fleet and in 2020 and 2021 reduced mileage by 5% whilst still growing the business, which demonstrates efficient ways of working.

We also completed a successful pilot of LED lighting swap outs in our Aberdeen office and have taken steps to improve efficiency of air conditioning units in offices, maintaining TM44 compliance on all sites.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 Financial Reporting Standard FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). 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 in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- in respect of the financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

BUREAU VERITAS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

- in respect of the parent company financial statements, state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the company 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

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.

Going concern

The company has net current assets of £35,342,000 (2020: £33,659,000) at the balance sheet date.

The directors have considered the future results for a period from when the financial statements are authorised for issue to the end of 31 December 2023 and expect the company to be profitable and cash generative under their best estimate of future performance and a reasonable downturn in trading results. The company participates in a cash pooling arrangement with other group companies and does not maintain a significant cash balance, consequently it is dependent upon access to the pooled funds to manage its working capital. The directors of Bureau Veritas SA, the ultimate parent undertaking, have confirmed that they will provide financial support to enable the company to meet its financial liabilities as they fall due for the period to 31 December 2023. On this basis, the directors have formed a judgement that it is appropriate to prepare the financial statements on a going concern basis.

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under section 418 of the Companies Act 2006 the following applies:

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

Independent auditors

Ernst and Young LLP has indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the annual meeting.



On behalf of the board
K Smith, Director
29 September 2022

BUREAU VERITAS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUREAU VERITAS UK LIMITED

Opinion

We have audited the financial statements of Bureau Veritas UK Limited for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 26, 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 FRS 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 company's affairs as at 31 December 2021 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 from when the financial statements are authorised for issue to the end of 31 December 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this report, we do not express any form of assurance conclusion thereon.

BUREAU VERITAS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUREAU VERITAS UK LIMITED (CONTINUED)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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 the 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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 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 as set out on pages 10 and 11 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.

BUREAU VERITAS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUREAU VERITAS UK LIMITED (CONTINUED)

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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including Health and Safety at Work Act 2015, The UK Bribery Act, Money Laundering Regulations 2020, General Data Protection Regulations.
- We understood how Bureau Veritas UK Limited is complying with those frameworks by making enquiries with management and those responsible for legal and compliance procedures to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries by reviewing supporting documents, including board meeting minutes
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We considered the risk of management override and assumed revenue to be a fraud risk, specifically as a result of manual journals posted at the year end. We incorporated data analytics into our audit approach to assist in our targeted review of manual journals, including segregation of duties, and our testing of revenue recognition. We tested specific transactions back to source documentation.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing journal entries identified by specific risk criteria which could indicate any non-compliance.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Ernst & Young LLP
BA1E83DA643B4AC...

Anne Schmitt (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

30 September 2022

BUREAU VERITAS UK LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £'000	2020 £'000
Turnover	2	78,467	81,071
Cost of sales		(43,665)	(47,776)
Gross profit		34,802	33,295
Administrative expenses		(31,562)	(31,998)
Other government grants	26	85	974
Operating profit	3	3,325	2,271
Interest receivable and similar income	6	37	60
Amounts written off investments	12	(3,039)	-
Interest payable and similar charges	7	(53)	(26)
Profit on ordinary activities before taxation		270	2,305
Tax on profit on ordinary activities	8	(1,028)	(617)
(Loss)/profit on ordinary activities after taxation		(758)	1,688
Other comprehensive income			
Actuarial gain/(loss) relating to the pension scheme	17	640	(344)
Deferred tax associated with actuarial (loss) / gain on pension scheme	16	(160)	65
Other comprehensive income for the year		480	(279)
Total comprehensive (expense)/income for the year		(278)	1,409

BUREAU VERITAS UK LIMITED**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

	Note	2021 £'000	2020 £'000
Fixed assets			
Goodwill	10	5,656	7,816
Tangible assets	11	2,741	2,155
Investments	12	3,039	6,078
		11,436	16,049
Current assets			
Debtors	13	55,887	53,806
Cash at bank and in hand		-	-
		55,887	53,806
Creditors: amounts falling due within one year	14	(20,545)	(20,147)
Net current assets		35,342	33,659
Total assets less current liabilities		46,778	49,708
Provisions for liabilities	15	(503)	(745)
Net assets excluding pension deficit		46,275	48,963
Gross pension deficit	17	(380)	(1,193)
Net assets including pension deficit		45,895	47,770
Capital and reserves			
Called-up share capital	18	39,500	39,500
Share premium account	19	6,566	6,566
Profit and loss account	20	(171)	1,704
Total shareholders' funds		45,895	47,770

The financial statements on pages 18 to 36 were approved by the board of directors and authorised for issue on 29 September 2022 and were signed on its behalf by:



K Smith
Director

Company number: 1758622

BUREAU VERITAS UK LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2021

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2020	39,500	6,566	2,619	48,685
Profit for the year	-	-	1,688	1,688
Other comprehensive income				
Actuarial gains on defined benefit plan	-	-	(344)	(344)
Deferred tax associated with actuarial gain on pension scheme	-	-	65	65
Total comprehensive income for the year	-	-	1,409	1,409
Dividends	-	-	(2,541)	(2,541)
Share-based payment	-	-	217	217
Total transactions with owners in their capacity as owners	-	-	(2,324)	(2,324)
Balance at 31 December 2020	39,500	6,566	1,704	47,770
Loss for the year	-	-	(758)	(758)
Other comprehensive income				
Actuarial loss on defined benefit plan	-	-	640	640
Deferred tax associated with actuarial loss on pension scheme	-	-	(160)	(160)
Total comprehensive expense for the year	-	-	(278)	(278)
Dividends	-	-	(1,704)	(1,704)
Share-based payment	-	-	107	107
Total transactions with owners in their capacity as owners	-	-	(1,597)	(1,597)
Balance at 31 December 2021	39,500	6,566	(171)	45,895

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

General information

Bureau Veritas UK Limited ("the Company") is a limited company domiciled and incorporated in England. The address of the Company's registered office and principal place of business is Suite 308, Fort Dunlop, Fort Parkway, Birmingham, B24 9FD.

The Company's principal activities and nature of its operations are outlined in the Strategic Report on page 2.

Basis of accounting

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Monetary amounts in the financial statements are rounded to the nearest £1,000, except where otherwise indicated.

Going concern

The company has net current assets of £35,342,000 (2020: £33,659,000) at the balance sheet date.

The directors have considered the future results for a period from when the financial statements are authorised for issue to the end of 31 December 2023 and expect the company to be profitable and cash generative under their best estimate of future performance and a reasonable downturn in trading results.

The company participates in a cash pooling arrangement with other group companies and does not maintain a significant cash balance, consequently it is dependent upon access to the pooled funds to manage its working capital.

The directors of Bureau Veritas SA, the ultimate parent undertaking, have confirmed that they will provide financial support to enable the company to meet its financial liabilities as they fall due for the period to 31 December 2023. On this basis, the directors have formed a judgement that it is appropriate to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of the estimation means the actual outcome could differ from those estimates. The following is the Company's key sources of estimation uncertainty:

The recoverability of assets such as trade debtors is based on a review by senior management with considerable knowledge of the industry and client.

Amounts recoverable on contracts are largely calculated using a percentage of completion method, and as such, prudent judgement is exercised around sensitive areas affecting the calculations, such as budgeted fees and budgeted hours.

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

1. Accounting policies (continued)

Pension and other post-employment benefits are based on the cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

Taxation provisions are based on reasonable estimates, for possible consequences of audits by the tax authorities of the consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Critical accounting estimates and assumptions

The recoverable amount of goodwill and other intangible assets is based on value in use which requires estimates in respect of the allocation of goodwill to cash generating units, the future cash flows and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate and the future earnings growth.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on a straight-line basis in order to write off the cost of fixed assets evenly over their estimated useful economic lives as follows:

Leasehold improvements	term of the lease
Office equipment	10% - 50% per annum
Laboratory and engineering equipment	15% per annum
Assets under construction are not depreciated.	

Goodwill

Goodwill represents the excess of cost of acquisition over the fair value of the separable net assets of businesses acquired. Goodwill is amortised through the profit and loss account in equal instalments over a period of 10 years. The company evaluates the carrying value of goodwill in each financial year to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

1. Accounting policies (continued)

Turnover

Annual contracts for mechanical inspection and testing services are invoiced in advance and turnover is spread evenly over the period of the contract. A provision for unearned fees is reported in deferred income.

All other contracts for services are invoiced in arrears and turnover is accrued to the extent that the contract work is complete at year end. Turnover accrued on contracts is reported as amounts recoverable on contracts.

Turnover excludes sales related taxes and is disclosed after the deduction of related commission.

Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Pensions

The company operates a group personal pension scheme. The cost of the company's group personal pension arrangements are charged to the profit and loss account on the basis of contributions payable in respect of the accounting period.

Certain employees of the Company are deferred members of the Bureau Veritas Pension and Assurance Scheme, which is a defined benefit scheme for the UK group, based on final pensionable pay and which is closed to new entrants. The scheme requires contributions to be made to a separately administered fund.

This has been accounted for under the full requirements of FRS102. The Company has recognised an allocation of the liability in the scheme and related profit and loss and reserve movements, based on the proportion of pensionable members employed by the Company compared to the full pensionable members of the scheme.

Under section 28 of FRS 102, assets of defined benefit schemes are measured using market values. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return of a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present market value of liabilities of the Company's defined benefit scheme expected to arise from employee service in the period is charged against operating profit. The expected return on the scheme assets and the increase during the period in the present value of the schemes liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the Statement of Comprehensive Income.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in Administrative expenses in the Income Statement.

Commissions

Commissions payable are charged to the profit and loss account in line with the recognition of the corresponding income. Commissions in respect of unearned fees are set off against the related deferred income balance.

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

1. Accounting policies (continued)

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Taxation

Corporation tax payable is provided on taxable profits based on the tax rates and laws enacted or substantively enacted at the balance sheet date.

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

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Any deferred tax relief relating to the defined benefit pension liability is offset against the defined benefit pension liability and not included with other deferred tax asset or liabilities.

Amounts recoverable on contracts

Amounts recoverable on contracts relates to turnover accrued on completed and partially completed contracts. Turnover is accrued to the extent that the contract work is completed and measured at sales price. Contracts are reviewed at period end to ensure that the sales price is not stated at more than the amount recoverable from the customer.

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

1. Accounting policies (continued)

Share based payments

The cost of shares which will be awarded under the Group Savings Plan, the Share Option Plans and the Free Share Plans is measured at fair value. For all schemes, Bureau Veritas SA will bear the cost at the maturity or exercise date. The fair value of shares in each scheme is accrued over the vesting period and reported in the wages and salaries expense and reserves.

The company had employees with unvested shares in Free Share and Stock Option plans vesting between 22 June 2021 and 25th June 2024 at 31st December 2021. The total number of shares unvested at 31st December 2021 was 196,000 (2020:182,000).

Free Shares will be delivered to employees remaining in the scheme and in employment at last day of the vesting period.

Bureau Veritas UK Limited will bear the cost of employers' national insurance at the maturity or exercise date. The liability is calculated by reference to the market value of the shares at the balance sheet date. The liability is accrued between the grant date and the maturity date for the free share plan and between the grant date and the end of the vesting period for the share option plans. This liability is reported in accruals.

The national insurance cost and option gain will be allowable for corporation tax deductions in the period that the options are exercised and the free shares are awarded.

Consolidated financial statements

The Company has taken advantage of the exemption in section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the Company as a single entity.

Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares.
- Section 7 'Statement of Cash Flows'.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; 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 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements.
- Section 33 'Related Party Disclosures' paragraph 33.7.

Franchise fees paid to Bureau Veritas SA

Bureau Veritas SA charges franchise fees to Bureau Veritas UK Limited based on formally agreed percentages of revenue for each reporting line. The fees are invoiced twice yearly and accounted for on an accruals basis.

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

1. Accounting policies (continued)

Financial Instruments

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Loan notes which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Loan notes that are receivable within one year are not discounted.

Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit and presented in the statement of comprehensive income as "other operating income" over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2. Turnover

The company's turnover was derived from its principal activity. An analysis of the company's turnover by geographical market is given below:

	2021 £'000	2020 £'000
UK	74,675	76,717
Rest of Europe	1,845	2,184
Rest of World	1,947	2,170
	78,467	81,071

3. Operating profit

Operating profit is stated after charging:

	2021 £'000	2020 £'000
Depreciation of tangible fixed assets	773	504
Amortisation of purchased goodwill	2,160	2,160
Operating lease rentals:		
Land and buildings	1,587	1,699
Plant and machinery	1,112	1,415
Auditors' remuneration - audit services	63	63
Foreign exchange loss	357	147
Franchise fees paid to Bureau Veritas SA	3,728	2,926
Other government grants	85	974

4. Directors' emoluments

The remuneration of the directors of the company was as follows:

	2021 £'000	2020 £'000
Emoluments for qualifying services	764	793
Company contributions to defined contribution pension scheme	43	40
Share-based payments	184	222
	991	1,055

The emoluments of the highest paid director during the year amounted to £261,000 (2020: £270,000). In addition, pension contributions of £17,000 were made in respect of the highest paid director (2020: £16,000).

The number of directors for whom retirement benefits are accruing under a defined contribution scheme is 5 (2020: 5). No directors are accruing benefits under a defined benefit pension scheme (2020: none).

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

5. Employee information

The average monthly number of employees (including directors) during the year was:

	2021 Number	2020 Number
By activity		
Fee earners	524	531
Administration	321	314
	845	845

Employment costs (including directors' emoluments):

	2021 £'000	2020 £'000
Wages and salaries	35,301	37,430
Share based payment	107	440
Social security costs	4,492	4,597
Other pension costs (note 17)	2,491	2,524
	42,391	44,991

6. Interest receivable and similar income

	2021 £'000	2020 £'000
Interest received on loan with group undertakings	37	60
	37	60

7. Interest payable and similar charges

	2021 £'000	2020 £'000
Finance cost on defined benefit pension scheme (note 17)	17	19
Interest	36	7
	53	26

BUREAU VERITAS UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)****8. Tax on profit on ordinary activities**

	2021	2020
	£'000	£'000
Current tax:		
UK Corporation tax on profits for the year	1,022	821
Adjustment in respect of prior years	(216)	(120)
Overseas tax	-	-
Current tax charge	806	701
Deferred tax:		
Origination and reversal of timing differences	170	(93)
Pension contributions in excess of pension charge	52	9
Total deferred tax	222	(84)
Total tax charge on profit on ordinary activities	1,028	617

The tax for the year is higher (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£'000	£'000
Profit on ordinary activities before taxation	270	2,305
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 19% (2020: 19%)	51	438
Effects of:		
Expenses not deductible for tax purposes	1,193	299
Overseas tax	-	-
Group relief received	-	-
Adjustments in respect of prior years	(216)	(120)
Total tax charge on profit on ordinary activities	1,028	617

Factors which may affect future tax charges

Deferred tax has been calculated using a rate of 25% based on this being the most up to date legislation available at the balance sheet date. Within the budget 2021, the government announced that the corporation tax main rate for the years starting 1 April 2021 and 2022 would remain at 19% but increase to 25% starting 1 April 2023.

9. Dividends

	2021	2020
	£'000	£'000
Ordinary:		
Interim paid	1,704	2,541
	1,704	2,541

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

10. Goodwill

	Purchased Goodwill £'000
Cost	
At 1 January 2021	31,384
Additions	-
31 December 2021	31,384
Accumulated amortisation	
At 1 January 2021	23,568
Amortisation charge for year	2,160
At 31 December 2021	25,728
Net Book Value	
At 31 December 2021	5,656
At 31 December 2020	7,816

11. Tangible fixed assets

	Leasehold improvements	Office equipment	Laboratory and engineers' equipment	Total
	£'000	£'000	£'000	£'000
Cost:				
1 January 2021	1,473	3,618	1,223	6,314
Additions	-	897	699	1,596
Disposals	(3)	(216)	(18)	(237)
At 31 December 2021	1,470	4,299	1,904	7,673
Accumulated depreciation				
1 January 2021	863	2,450	846	4,159
Charge for year	108	552	113	773
Disposals	-	-	-	-
At 31 December 2021	971	3,002	959	4,932
Net book value				
At 31 December 2021	499	1,297	945	2,741
At 31 December 2020	610	1,168	377	2,155

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

12. Fixed assets investments

	Subsidiary Undertakings £'000
Cost	
At 1 January 2021	6,078
Additions	-
31 December 2021	6,078
Amounts provided	
At 1 January 2021	-
Provided during the year	(3,039)
31 December 2021	(3,039)
Net Book Value	
At 31 December 2021	3,039
At 31 December 2020	6,078

The impairment of the fixed asset investment in Bureau Veritas Building Control Limited was based on a management assessment of future performance using a discounted cash flow model.

The Company's investments in the ordinary share capital of unlisted companies at 31 December 2021 comprised the following:

England and Wales	HCD Group Limited	Non-trading	100% ordinary shares
England and Wales	Bureau Veritas Building Control UK Limited	Engineering inspection and consultancy services	100% ordinary shares

On the 15 of January 2021 Bureau Veritas UK Limited dissolved the following non-trading entities:

England and Wales	HCD Management Limited	Engineering inspection and consultancy services	100% ordinary shares
England and Wales	HCD Eng. Limited	Engineering inspection and consultancy services	100% ordinary shares
England and Wales	HCD Specialist Services Limited	Engineering inspection and consultancy services	100% ordinary shares

BUREAU VERITAS UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)****13. Debtors**

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade debtors	14,014	16,963
Amounts recoverable on contracts	7,396	3,844
Amounts owed by group undertakings	31,874	30,552
Other debtors	263	304
Prepayments and accrued income	1,336	1,038
Corporation tax	566	285
Deferred tax (note 16)	438	820
	55,887	53,806

Included in amounts owed by group undertakings is an unsecured loan of £18,726,000 (2020: £14,484,000) to Bureau Veritas SA, which is subject to interest based on LIBOR plus a fixed margin and is payable on demand. Also included in amounts owed by group undertakings is an unsecured loan of £9,026,000 (2020: £8,991,000) to Bureau Veritas UK Holdings Limited which is subject to interest based on LIBOR plus a fixed margin and is repayable on demand. The remaining £4,122,000 (2020: £7,076,000) owed by group undertakings is interest-free, unsecured, has no fixed date of repayment and is repayable on demand.

14. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Bank Overdraft	397	147
Trade creditors	3,030	1,006
Amounts owed to group undertakings	3,682	1,322
Other taxation and social security	2,732	5,319
Accruals and deferred income	10,704	12,353
	20,545	20,147

Amounts owed to group undertakings of £3,682,000 (2020: £1,322,000) are interest-free, unsecured, have no fixed date of repayment and are repayable on demand.

The Company shares a £500,000 overdraft facility with fellow UK group companies.

BUREAU VERITAS UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)****15. Provisions for liabilities**

	Employee holiday entitlement £'000	Provision for disposal costs £'000	Property dilapidations provisions £'000	Total £'000
1 January 2021	306	38	401	745
Increase/(utilisation) of provision	(92)	(38)	(112)	(242)
31 December 2021	214	-	289	503

The provision for employee holiday entitlement is the difference between the value of holiday accrued by employees and the holiday taken as at 31 December 2021.

The provision for disposal costs relates to amounts payable to reduce the shortfall on a defined benefit pension scheme for employees of the Industrial Emissions Monitoring business.

The dilapidation provisions relate to the likely cost of refurbishment of leased properties in line with the requirement of the individual leases. The provision is based on assumptions of cost per square foot and the condition of the property at the balance sheet date which has been reviewed with surveyors.

16. Deferred taxation

	2021 £'000	2020 £'000
1 January	594	501
Deferred tax (charge)/credit in profit and loss account (note 8)	(170)	93
31 December	424	594

Provision is made for deferred tax at a rate of 25% (2020: 19%), the amount provided being:

Accelerated depreciation over capital allowances	(29)	130
Share option and free share plans	391	380
Other timing differences	62	84
31 December (note 13)	424	594

BUREAU VERITAS UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)****16. Deferred taxation (continued)**

	2021	2020
	£'000	£'000
Deferred tax asset relating to pension deficit		
1 January	226	170
Deferred tax charge to profit and loss account (note 8)	(52)	(9)
Deferred tax (charge)/credit to the statement of comprehensive income	(160)	65
31 December	14	226

17. Pension costs**Defined contribution**

The company participates in a group personal pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable to the fund by the company.

	2021	2020
	£'000	£'000
Contributions payable by the company for the year	2,491	2,504

Included within accruals as at 31 December 2021 were contributions payable of £325,000 (2020: £443,000).

The company participates in a group scheme, The Bureau Veritas Pension and Assurance Scheme, which is a defined benefit scheme and is closed to new entrants. The assets of the scheme are held separately from those of the company. All employees within the scheme are deferred members.

The latest actuarial valuation was at 31 December 2021. The total deficit for the scheme was valued at £815,000. The fair value of assets was £17,318,000 and the present value of scheme liabilities was £18,133,000.

The portion of the gross liability relating to this company is £380,000 as at 31 December 2021 (2020: £1,192,000). The difference arises from adjustments to the assumptions, additional contributions and movements in asset values.

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

17. Pension costs (continued)

	2021	2020
	%	%
The major actuarial assumptions used were:		
Rate of increase in pensions in payment	3.70	3.20
Rate of increase for deferred pensioners	3.30	2.80
Discount rate	2.0	1.50
Inflation assumption (RPI)	3.70	3.20
Inflation assumption (CPI)	3.30	2.80

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2021	2020
Male	22.1	21.9
Female	24.1	23.8

The average life expectancy for an employee that is aged 45 on the reporting date is:

	2021	2020
Male	23.6	23.0
Female	25.6	25.0

The pension fund deficit is calculated as follows:

Valuation of assets in the scheme:	2021	2020
	£'000	£'000
Equity linked bonds	4,350	3,769
Diversified growth assets	1,928	1,659
Other assets	1,798	2,150
Total market value of assets	8,076	7,578
Present value of scheme liabilities	(8,456)	(8,770)
Deficit in the scheme	(380)	(1,192)
Total deferred tax asset (note 16)	14	226
Net pension liability	(366)	(966)

The amounts recognised in profit or loss are as follows:

	2021	2020
	£'000	£'000
Analysis of amount charged to other finance expenses		
Net interest on pension scheme liabilities	(16)	(19)
	(16)	(19)

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

17. Pension costs (continued)

	2021	2020
	£'000	£'000
Analysis of amount recognised in the statement of comprehensive income		
Actual return on pension scheme assets	(640)	344
Changes in assumptions underlying the present value of the scheme liabilities	-	-
Transfer of scheme assets and liabilities to other group companies	-	-
	(640)	344

Changes of deficit in the scheme are as follows:

	2021	2020
	£'000	£'000
Movement in gross deficit during the year		
Gross deficit in scheme at beginning of year	(1,193)	(998)
Other finance expense	(16)	(19)
GMP Costs	-	(20)
Company contributions paid	189	188
Actuarial gains/(losses)	640	(344)
Gross deficit in scheme at end of year	(380)	(1,193)

	2021	2020
	£'000	£'000
Reconciliation of present value of scheme liabilities		
1 January	8,770	7,793
Interest cost	130	162
GMP	-	20
Benefits paid	(250)	(202)
Actuarial movement	(193)	998
31 December	8,457	8,770

	2021	2020
	£'000	£'000
Reconciliation of fair value of scheme assets		
1 January	7,577	6,795
Interest income	113	143
Company contributions paid	189	189
Benefits paid	(250)	(202)
Actuarial movement	448	653
31 December	8,077	7,577

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

17. Pension costs (continued)

The company also participates in the Industry-Wide Coal Staff Superannuation Scheme (IWCSS), which is a defined benefit scheme and is closed to new entrants. The assets of the scheme are held separately from those of the company.

The latest actuarial valuation was at 31 December 2018, at this date, the total deficit for the scheme was valued at £541,000. The fair value of assets was £643,000 and the present value of scheme liabilities was £1,184,000. The deficit in the accounts as at 31 December 2021 taking into account the pension contributions made by BV stands at £264,000.

18. Called up share capital

	2021 £'000	2020 £'000
Allotted and fully paid:		
39,499,999 (2020: 39,499,999) ordinary shares of £1 each	39,500	39,500

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

19. Share premium account

	£'000
At 1 January 2021 and 31 December 2021	6,566

Consideration received for shares issued above their nominal value net of transaction costs.

20. Profit and loss account

Being the cumulative profit and loss results net of distributions paid to owners.

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

21. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases for plant and machinery are as follows:

	Land and Buildings		Plant and Machinery	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Expiring within one year	94	-	1,025	759
Expiring between two and five years	3,266	3,028	911	413
Expiring after five years	3,255	4,326	-	-
	6,615	7,354	1,936	1,172

22. Contingent liabilities

The company participates in a group banking arrangement with other members of the Bureau Veritas UK group. At 31 December 2021 the Company had guaranteed bank borrowings of other Bureau Veritas UK Group companies amounting to £nil (2020: £nil).

23. Immediate and ultimate parent undertaking

The immediate parent company is Bureau Veritas UK Holdings Limited, a company registered in the UK. The parent company of Bureau Veritas UK Holdings Limited is Bureau Veritas International SAS. The parent company of Bureau Veritas International SAS is Bureau Veritas SA.

The smallest group of undertakings of which the company is a member that produces consolidated financial statements is Bureau Veritas SA, a company registered in France. Its group financial statements are available from the Company's registered office at 40-52 Boulevard Du Parc, Immeuble, 92200 Neuilly-sur-Seine, France. (www.bureauveritas.com)

The directors regard the Wendel-Participations SE, a Company incorporated in France, as the company's ultimate parent and ultimate controlling party by virtue of its majority interest in the equity capital of Bureau Veritas SA.

The largest group of undertakings of which the company is a member that produces consolidated financial statements is the Wendel-Participations SE, a company registered in France. Its group financial statements are available from the company's registered office at 89 rue Taitbout, 75009, Paris, France (www.wendelgroup.com).

24. Post balance sheet events

The only post balance sheet event worth noting post 31 December 2021 is the conflict between Ukraine and Russia which is ongoing as at the date of signing. The current situation is not having a significant impact on the operations or performance Bureau Veritas UK Limited.

25. Capital commitments

There were no capital commitments in place at the year end.

BUREAU VERITAS UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)****26. Other government grants**

	2021	2020
	£000	£000
<u>Other government grants</u>	85	974

Other government grants received is in relation to the Coronavirus Job Retention Scheme (CJRS). The CJRS grant relates to staff who have been furloughed due to COVID-19. There are no unfulfilled conditions or other contingencies attached to these grants. The Company did not benefit directly from any other forms of Government assistance. Access to the grants has been made possible by retaining these staff.