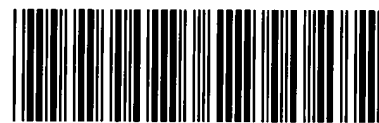


Company registration number: 1758622 (England and Wales)

BUREAU VERITAS UK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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BUREAU VERITAS UK LIMITED

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BUREAU VERITAS UK LIMITED

COMPANY INFORMATION

Directors

P. Shrieve
K. Smith
C. White (appointed 2 April 2020)
D. Ainsworth (appointed 4 March 2020)
R. Bryan (appointed 4 March 2020 and resigned
29 January 2021)
S. Gorman (appointed 29 January 2021)
K. Dolan (resigned 19 March 2020)

Company Secretary

D. Ainsworth (appointed 4 March 2020)

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

National Westminster Bank
699 Wilmslow Road
Didsbury
Manchester
M20 0RE

BUREAU VERITAS UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report on the company for the year ended 31 December 2020.

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 profit after taxation for the financial year is £1,688,000 (2019: £2,693,000). Our gross profit reduced by 12% during the year due to increased usage of subcontractors compared to the prior year. In addition to this our operating profit reduced by 27%. In addition to the above, the company and wider economy has been impacted by the continuing COVID-19 pandemic.

The Company has net assets of at the year end £47,770,000 (2019: £48,685,000).

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.

	2020 £000	2019 £000	Movement %
Turnover	81,071	82,202	(1%)
Operating profit	2,291	3,141	(27%)
Gross profit	33,331	37,738	(12%)
Average headcount*	845	867	(2%)

*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 2020 (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 2020 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.

The company has protected our people by implanting working from home wherever possible which has successfully allowed the company to function well in these difficult times. The company recognises that many services it provides remain critical to the ongoing functioning of the clients businesses including key industries such as power generation, oil and gas, nuclear, hospitals, food production, food distribution and food retail. For these reasons it has been essential for the majority of our field teams to continue working to support these critical industries. They have done so on the basis of clear health and safety guidelines, appropriate PPE, strict social distancing and with the knowledge that if they at any time feel unsafe they are authorised to stop work and leave site to allow the situation to be addressed before continuing. At this time, the company has planned for a cautious approach to bringing its people back to offices.

The company continues to protect its clients by ensuring that clients, particularly in critical industries get the support they need to deliver essential services safely during the pandemic. We have operated flexibly with many clients, for example undertaking work out of hours to support social distancing or deploying the use of technology to undertake our activities remotely with clients. We have broad portfolio of services across our key market sectors which have been affected to differing degrees but our active engagement with our clients has enabled the flexibility. We will be playing a crucial role with many clients to support them in their preparation for re-opening their offices, factories and businesses in respect of necessary checks on buildings infrastructure and to help them ensure that their procedures meet recommended standards to minimise the risks of further COVID-19 spread.

BUREAU VERITAS UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

COVID-19 (continued)

The company has implemented various steps to protect the business from the effects of COVID-19. A focus has been placed on cash management, with steps such as the close management of debtors, redeployment of some staff to support cash collection, the implementation of the UK Government's Coronavirus Job Retention Scheme and the implementation of VAT deferral amongst other steps. After discussion, some clients have brought work forward to be carried out whilst they have empty premises in order to avoid having visits when they have staff returning to site. The combination of such steps has enabled the company to remain confident of its position throughout the pandemic to date. As noted above we look forward to working with many of our clients to assist them in their efforts to re-open their businesses and premises safely. We are currently finalising our plans on these three areas for the coming phase of "returning to work" and the subsequent phase of "after COVID" to ensure the resilience of the business through the safety of our people and the safety of our clients.

BUREAU VERITAS UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

S172 Statement

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	<p>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.</p>	<p>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 implement new recognition platforms to recognise and celebrate service anniversaries for our people.</p> <p>We hold annual conference events and briefings with all people managers every two weeks. We continue to invest in development for our Emerging Leaders and rising talent 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.</p>
Customers	<p>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.</p>	<p>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.</p>

BUREAU VERITAS UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

S172 Statement (continued)

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 have regular interaction with suppliers and undertake site audits with our supply base. Regular meetings (normally face to face but at time of writing by remote video or audio conference), telephone calls and emails are also commonplace to review performance and service delivery. We work collaboratively and set reasonable expectations in open and honest working relationships.

Community

We care about our community and are passionate about creating a better world as part of our corporate values and our strategic goals.

We actively take part in and support national schemes and initiatives that are aligned to our ethics and corporate social responsibility strategy. This includes our STEM Ambassadors who support schools nationally to promote science and engineering careers to young people. We also have a close partnership with the Defence Medical Rehabilitation Unit and the UK military's Career Transition Partnership, actively seeking to provide regarding civilian roles for service men and women leaving the armed forces. Bureau Veritas has recruited over 100 ex-service personnel across a variety of positions since 2012 from all branches of the armed forces helping them use their expertise in civilian life and providing us with committed and highly skilled personnel.

BUREAU VERITAS UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

S172 Statement (continued)

Stakeholder Group	How we engage	Why we engage
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 clients to monitor and improve their environmental and sustainability performance, we believe we have a moral obligation to reduce our environmental impact and always seem more environmentally friendly practices where appropriate.	Social and environmental responsibility is one of Bureau Veritas' 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 and a key focus for us is therefore to minimise and optimise travel to reduce the environmental impact of that travel. The further development of remote inspection and auditing techniques, where technically appropriate, will continue to reduce our environmental impact and improve sustainability. In addition carbon offsetting activities during 2020 meant that we achieved a 50% reduction in net carbon impact against our 2019 baseline – 5 years ahead of our 2025 objective.
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 shareholder throughout the year, 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
16th September 2021

BUREAU VERITAS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the audited financial statements of the company for the year ended 31 December 2020.

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 2020 of £0.06 per ordinary share, being a total £2,451,000 on 29 October 2020 (2019: £3,550,000).

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
K. Smith
C. White (appointed 2 April 2020)
D. Ainsworth (appointed 4 March 2020)
R. Bryan (appointed 4 March 2020 and resigned
29 January 2021)
S. Gorman (appointed 29 January 2021)
K. Dolan (resigned 19 March 2020)

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.

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.

BUREAU VERITAS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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)

UK Greenhouse gas emissions and energy use data for the period 1 October 2019 to 30 September 2020	2020
Energy consumption used to calculate emissions (kWh)	313,286
Scope 1 emissions in kg CO₂e	
Fuel	284
ODS (fugitive emissions)	7,431
Company car	897,367
Scope 2 emissions in kg CO₂e	
Electricity purchased – Market based	119,211
Electricity purchased – Location based	66,809
Scope 3 emissions in kg CO₂e	
Business travel (excluding company car)	435,808
Water	160
Paper	670
Total amount of CO ₂ offsets purchased – Shell Carbon Offset	(374,543)
Total net emissions in kg CO₂e	1,153,198
Intensity ratio kg CO ₂ e per FTE	1,826

BUREAU VERITAS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (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.

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.

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 2019 baseline and to be carbon neutral by 2030.

The 2020 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 2019 and 2020 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

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including 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
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- provide additional disclosures when compliance with specific requirements in FRS 102 is insufficient to enable users of the financial statements to understand the impact of particular transactions, other events and conditions, and company financials position and financial performance;

BUREAU VERITAS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

- 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. Under applicable law and regulations, the directors are also responsible for preparing a strategic report and 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.

Going concern

The directors, having considered the future performance of the company by reviewing detailed forecasts and making the necessary enquiries, have decided to continue to adopt the going concern basis in preparing the financial statements which assumes that the company will continue in operation for the foreseeable future.

When concluding on the going concern status we considered the impact of COVID-19 carefully including:-

- Revenue falling 20% during full lockdown, the business has since recovered strongly seeing revenue return to levels expected to prior to the pandemic.
- We have remained both profitable and cash generative during the pandemic.
- We have continued to utilise a cash pooling arrangement with other Bureau Veritas group companies and have obtained a letter of support from the ultimate parent company Bureau Veritas SA that confirms access to group funds to enable them to meet their liabilities as they fall due for a period of 12 months from the date of approval of the accounts.
- We have completed additional procedures as part of the going concern review by directors which included a reverse stress testing on the cash flow including what would happen in the event of a second 3 month lockdown which included prudent assumptions of losing 20% of revenue in these months which concluded we expect to be both profitable and cash generative for both the 2021 financial year and 12 months from the signing of the financial statements, being until 16th September 2022.

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
16th September 2021

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 2020 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

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 the period to 16th September 2022, which is 12 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. 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 page 10, 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 2019, General Data Protection Regulations and furlough scheme rules.
- 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.

Ernst & Young LLP

Anne Wong (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester
16 September 2021

BUREAU VERITAS UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
Turnover	2	81,071	82,202
Cost of sales		(47,776)	(44,464)
Gross profit		33,295	37,738
Administrative expenses		(31,998)	(34,597)
Other government grants	26	974	-
Operating profit	3	2,271	3,141
Interest receivable and similar income	6	60	135
Interest payable and similar charges	7	(26)	(36)
Profit on ordinary activities before taxation		2,305	3,240
Tax on profit on ordinary activities	8	(617)	(547)
Profit on ordinary activities after taxation		1,688	2,693
Other comprehensive income			
Actuarial (loss) / gain relating to the pension scheme	17	(344)	105
Deferred tax associated with actuarial (loss) / gain on pension scheme	16	65	(18)
Other comprehensive income for the year		(279)	87
Total comprehensive income for the year		1,409	2,780

BUREAU VERITAS UK LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Goodwill	10	7,816	9,976
Tangible assets	11	2,155	1,972
Investments	12	6,078	6,078
		16,049	18,026
Current assets			
Debtors	13	53,806	45,859
Cash at bank and in hand		-	14
		53,806	45,873
Creditors: amounts falling due within one year	14	(20,147)	(13,870)
Net current assets		33,659	32,003
Total assets less current liabilities		49,708	50,029
Provisions for liabilities	15	(745)	(346)
Net assets excluding pension deficit		48,963	49,683
Gross pension deficit	17	(1,193)	(998)
Net assets including pension deficit		47,770	48,685
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	1,704	2,619
Total shareholders' funds		47,770	48,685

The financial statements on pages 15 to 35 were approved by the board of directors and authorised for issue on 16th September 2021 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 2020

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2019	39,500	6,566	3,428	49,494
Profit for the year	-	-	2,693	2,693
Other comprehensive income				
Actuarial gains on defined benefit plan	-	-	105	105
Deferred tax associated with actuarial gain on pension scheme	-	-	(18)	(18)
Total comprehensive income for the year	-	-	2,780	52,274
Dividends	-	-	(3,550)	(3,550)
Share-based payment	-	-	(39)	(39)
Total transactions with owners in their capacity as owners	-	-	(3,589)	(3,589)
Balance at 31 December 2019	39,500	6,566	2,619	48,685
Profit for the year	-	-	1,688	1,688
Other comprehensive income				
Actuarial loss on defined benefit plan	-	-	(344)	(344)
Deferred tax associated with actuarial loss on pension scheme	-	-	65	65
Total comprehensive income for the year	-	-	4,028	50,094
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

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

The directors, having considered the future performance of the company by reviewing detailed forecasts and making the necessary enquiries, have decided to continue to adopt the going concern basis in preparing the financial statements which assumes that the company will continue in operation for the foreseeable future.

Going Concern

When concluding on the going concern status we considered the impact of COVID-19 carefully including:-

- Revenue falling 20% during full lockdown, the business has since recovered strongly seeing revenue return to levels expected to prior to the pandemic.
- We have remained both profitable and cash generative during the pandemic.
- We have continued to utilise a cash pooling arrangement with other Bureau Veritas group companies and have obtained a letter of support from the ultimate parent company Bureau Veritas SA that confirms access to group funds to enable them to meet their liabilities as they fall due for a period of 12 months from the date of approval of the accounts.

We have completed additional procedures as part of the going concern review by directors which included a reverse stress testing on the cash flow including what would happen in the event of a second 3 month lockdown which included prudent assumptions of losing 20% of revenue in these months which concluded we expect to be both profitable and cash generative for both the 2021 financial year and 12 months from the signing of the financial statements, being until 16th September 2022

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 2020 (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 2020 (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.

Pensions (continued)

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 2020 (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 2020 (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 plans vesting between 22 July 2021 and 22nd June 2023 at 31st December 2020. The total number of shares unvested at 31st December 2020 was 182,000 (2019:63,650).

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 2020 (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 2020 (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:

	2020 £'000	2019 £'000
UK	76,717	77,198
Rest of Europe	2,184	2,923
Rest of World	2,171	2,081
	81,071	82,202

3. Operating profit

Operating profit is stated after charging:

	2020 £'000	2019 £'000
Depreciation of tangible fixed assets	504	715
Amortisation of purchased goodwill	2,160	2,160
Operating lease rentals:		
Land and buildings	1,699	1,789
Plant and machinery	1,415	2,187
Auditors' remuneration - audit services	63	63
Foreign exchange loss	147	221
Franchise fees paid to Bureau Veritas SA	2,926	3,532
Other government grants	974	-

4. Directors' emoluments

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

	2020 £'000	2019 £'000
Emoluments for qualifying services	793	1,010
Company contributions to defined contribution pension scheme	40	49
Share-based payments	222	132
	1,055	1,191

The emoluments of the highest paid director during the year amounted to £270,000 (2019: £265,000). In addition, pension contributions of £16,000 were made in respect of the highest paid director (2019: £15,000).

The number of directors for whom retirement benefits are accruing under a defined contribution scheme is 5 (2019: 5). No directors are accruing benefits under a defined benefit pension scheme (2019: none).

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

5. Employee information

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

	2020 Number	2019 Number
By activity		
Fee earners	531	532
Administration	314	335
	845	867

Employment costs (including directors' emoluments):

	2020 £'000	2019 £'000
Wages and salaries	37,430	35,337
Share based payment	440	294
Social security costs	4,597	4,290
Other pension costs (note 17)	2,524	2,753
	44,991	42,674

6. Interest receivable and similar income

	2020 £'000	2019 £'000
Interest received on loan with group undertakings	60	135
	60	135

7. Interest payable and similar charges

	2020 £'000	2019 £'000
Finance cost on defined benefit pension scheme (note 17)	19	34
Interest	7	2
	26	36

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

8. Tax on profit on ordinary activities

	2020 £'000	2019 £'000
Current tax:		
UK Corporation tax on profits for the year	821	909
Adjustment in respect of prior years	(120)	(338)
Overseas tax	-	9
Current tax charge	701	580
Deferred tax:		
Origination and reversal of timing differences	(93)	(59)
Pension contributions in excess of pension charge	9	26
Total deferred tax	(84)	(33)
Total tax charge on profit on ordinary activities	617	547

The tax for the year is higher (2019: higher) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
Profit on ordinary activities before taxation	2,305	3,240
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 19% (2019: 19%)	438	616
Effects of:		
Expenses not deductible for tax purposes	299	261
Overseas tax	-	9
Group relief received	-	-
Adjustments in respect of prior years	(120)	(339)
Total tax charge on profit on ordinary activities	617	547

Factors which may affect future tax charges

Deferred tax has been calculated using this rate based on this being the most up to date legislation available at the balance sheet date. Within the budget 2020 and 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

	2020 £'000	2019 £'000
Ordinary:		
Interim paid	2,541	3,550
	2,541	3,550

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

10. Goodwill

	Purchased Goodwill £'000	Total £'000
Cost		
At 1 January 2020	31,384	31,384
Additions	-	-
31 December 2020	31,384	31,384
Accumulated amortisation		
At 1 January 2020	21,408	21,408
Amortisation charge for year	2,160	2,160
At 31 December 2020	23,568	23,568
Net Book Value		
At 31 December 2020	7,816	7,816
At 31 December 2019	9,976	9,976

11. Tangible fixed assets

	Leasehold improvements £'000	Office equipment £'000	Laboratory and engineers' equipment £'000	Total £'000
Cost:				
1 January 2020	1,386	3,039	1,202	5,627
Additions	87	579	21	714
Disposals	-	-	-	-
At 31 December 2020	1,473	3,618	1,223	6,314
Accumulated depreciation				
1 January 2020	753	2,132	770	3,655
Charge for year	110	318	76	504
Disposals	-	-	-	-
At 31 December 2020	863	2,450	846	4,159
Net book value				
At 31 December 2020	610	1,168	377	2,155
At 31 December 2019	633	907	432	1,972

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

12. Fixed assets investments

	Subsidiary Undertakings £'000
Cost	
At 1 January 2020	6,078
Additions	-
31 December 2020	6,078
Net Book Value	
At 31 December 2020	6,078
At 31 December 2019	6,078

The Company's investments in the ordinary share capital of unlisted companies at 31 December 2020 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 2020 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 2020 (CONTINUED)

13. Debtors

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Trade debtors	16,963	16,070
Amounts recoverable on contracts	3,844	7,625
Amounts owed by group undertakings	30,552	19,683
Other debtors	304	393
Prepayments and accrued income	1,038	1,417
Corporation tax	285	-
Deferred tax (note 16)	820	671
	53,806	45,859

Included in amounts owed by group undertakings is an unsecured loan of £14,484,000 (2019: £4,969,000) 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 £8,991,000 (2019: £8,937,000) 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 £7,076,000 (2019: £5,777,000) 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

	2020 £'000	2019 £'000
Bank Overdraft	147	-
Trade creditors	1,006	538
Amounts owed to group undertakings	1,322	1,420
Corporation tax	-	237
Other taxation and social security	5,319	3,082
Accruals and deferred income	12,353	8,593
	20,147	13,870

Amounts owed to group undertakings of £1,322,000 (2019: £1,420,000) 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, the overdraft was undrawn at 31 December 2020.

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

15. Provisions for liabilities

	Employee holiday entitlement £'000	Provision for disposal costs £'000	Property dilapidations provisions £'000	Total £'000
1 January 2020	78	167	101	346
Increase/(utilisation) of provision	228	(129)	300	399
31 December 2020	306	38	401	745

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 2020.

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

	2020 £'000	2019 £'000
1 January	501	442
Deferred tax charge in profit and loss account (note 8)	93	59
31 December	594	501

Provision is made for deferred tax at a rate of 19% (2019: 17%), the amount provided being:

Accelerated depreciation over capital allowances	130	257
Share option and free share plans	380	169
Other timing differences	84	75
31 December (note 13)	594	501

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

16. Deferred taxation (continued)

	2020 £'000	2019 £'000
Deferred tax asset relating to pension deficit		
1 January	170	214
Deferred tax charge to profit and loss account (note 8)	(9)	(26)
Deferred tax credited / (charged) to the statement of comprehensive income	65	(18)
31 December (note 13)	226	170

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.

	2020 £'000	2019 £'000
Contributions payable by the company for the year	2,504	2,753

Included within accruals as at 31 December 2020 were contributions payable of £443,000 (2019: £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 2020. The total deficit for the scheme was valued at £2,558,000. The market value of assets was £16,247,000 and the present value of scheme liabilities was £18,805,000.

The portion of the gross liability relating to this company is £1,192,000 as at 31 December 2020 (2019: £998,000). 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 2020 (CONTINUED)

17. Pension costs (continued)

	2020	2019
	%	%
The major actuarial assumptions used were:		
Rate of increase in pensions in payment	3.20	3.20
Rate of increase for deferred pensioners	2.80	2.30
Discount rate	1.50	2.10
Inflation assumption (RPI)	3.20	3.20
Inflation assumption (CPI)	2.80	2.30

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

	2020	2019
Male	21.9	21.8
Female	23.8	23.7

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

	2020	2019
Male	23.0	22.9
Female	25.0	25.0

The pension fund deficit is calculated as follows:

Valuation of assets in the scheme:	2020	2019
	£'000	£'000
Equity linked bonds	3,769	3,416
Diversified growth assets	1,659	1,643
Other assets	2,150	1,737
Total market value of assets	7,578	6,796
Present value of scheme liabilities	(8,770)	(7,794)
Deficit in the scheme	(1,192)	(998)
Related deferred tax asset (note 16)	226	170
Net pension liability	(966)	(828)

The amounts recognised in profit or loss are as follows:

	2020	2019
	£'000	£'000
Analysis of amount charged to other finance expenses		
Net interest on pension scheme liabilities	(19)	(34)
	(19)	(34)

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

17. Pension costs (continued)

	2020 £'000	2019 £'000
Analysis of amount recognised in the statement of comprehensive income		
Actual return on pension scheme assets	344	149
Changes in assumptions underlying the present value of the scheme liabilities	-	(44)
Transfer of scheme assets and liabilities to other group companies	-	-
	344	105

Changes of deficit in the scheme are as follows:

	2020 £'000	2019 £'000
Movement in gross deficit during the year		
Gross deficit in scheme at beginning of year	(998)	(1,259)
Other finance expense	(19)	(34)
GMP Costs	(20)	-
Company contributions paid	188	190
Actuarial (losses)/ gains	(344)	105
Gross deficit in scheme at end of year	(1,193)	(998)

	2020 £'000	2019 £'000
Reconciliation of present value of scheme liabilities		
1 January	7,793	7,086
Interest cost	162	201
GMP	20	-
Benefits paid	(202)	(349)
Actuarial movement	998	856
31 December	8,770	7,793

	2020 £'000	2019 £'000
Reconciliation of fair value of scheme assets		
1 January	6,795	5,827
Interest income	143	167
Company contributions paid	189	190
Benefits paid	(202)	(349)
Actuarial movement	653	961
31 December	7,577	6,795

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

18. Called up share capital

	2020 £'000	2019 £'000
Allotted and fully paid:		
39,499,999 (2019: 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 2020 and 31 December 2020	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.

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	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Expiring within one year	-	1,686	759	1,255
Expiring between two and five years	3,028	4,109	413	783
Expiring after five years	4,326	1,307	-	-
	7,354	7,102	1,172	2,038

22. Contingent liabilities

The company participates in a group banking arrangement with other members of the Bureau Veritas UK group. At 31 December 2020 the Company had guaranteed bank borrowings of other Bureau Veritas UK Group companies amounting to £nil (2019: £nil).

BUREAU VERITAS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

No post balance sheet events have been identified for the year ended 31 December 2020.

25. Capital commitments

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

26. Other government grants

	2020 £000	2019 £000
Other government grants	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.