

LANNER GROUP LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019



LANNER GROUP LIMITED

COMPANY INFORMATION

Directors	A R Aitken (resigned 15 January 2019) J C Barnes (resigned 15 January 2019) K C Briddon (resigned 15 January 2019) D E Jones (resigned 15 January 2019) J V Arrowsmith (resigned 15 January 2019) M Hussain (appointed 15 January 2019) J S Bull (appointed 15 January 2019)
Company secretary	J C Barnes
Registered number	03134383
Registered office	Forward House 17 High Street Henley-in-Arden Warwickshire B95 5AA
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG

LANNER GROUP LIMITED

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LANNER GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

Lanner, a Royal HaskoningDHV ("RHDHV") company, is an industry-leading predictive simulation and digital twin software company that develops and markets its global simulation brand, WITNESS® through its own offices in the UK, France, and the USA, its global network of resellers and partners and, following the acquisition in 2019, through the RHDHV network of offices and lines of business worldwide. This technology has enabled Lanner to deliver the value of simulation to over 3,000 customers around the world to drive smarter, futureproof decisions, multi-million dollar returns and long-lasting customer and partner relationships.

Today's digital revolution is forcing companies to consider large-scale, high-risk change to existing operating models. The Smart Manufacturing & Industry 4.0 imperative demands that firms invest in new 4.0 ready technologies to create more connected, agile and 'smart' operations. Many leaders are aware that they need to act but are naturally nervous about the level of change and innovative uncertainty involved. Lanner is well positioned to satisfy this need with well-proven predictive technologies that enable new 'What-If?' thinking. Through the adoption of simulation enabled Digital Twins, businesses can virtually test changes to their processes in advance of and during implementation of those changes. This ensures that the return on investment from new smart technology investments (e.g. Industry 4.0) can be maximised across the Design, Build, Operate and Maintain life-cycle.

Lanner's WITNESS software, supported by rich data analysis skills and complemented by machine learning and AI, provides the predictive analytics needed to power smarter decision-making across the business lifecycle. Lanner helps businesses operating within dynamically complex environments to best improve their facilities, processes and execution and WITNESS has been licensed in over 50 countries worldwide. The primary markets for Lanner's software and services include Manufacturing, Logistics, Oil and Gas, Defence and Aerospace. Lanner also has excellent customers in the Construction, Finance, Health, and Nuclear sectors and a very high quality blue-chip customer base of over 400 organisations, comprising global enterprises such as BAE Systems, Qatargas, Safran, Cheniere Energy, Rolls-Royce, Urenco, AECOM, Software AG, Bizagi and Ford. These long-term customer relationships are created by delivering repeatable value.

Further information about Lanner can be found at <https://www.lanner.com> and about RHDHV at <https://www.royalhaskoningdhv.com>

Business review

On 15th January 2019 the entire issued share capital of Lanner was acquired by RHDHV, an international non-listed engineering consultancy firm with headquarters in Amersfoort, Netherlands. As part of the transaction all the previous outstanding balance sheet liabilities owed to the previous owners were repaid in full. Further information can be found in the news section of the Lanner website.

It is very pleasing to report that, following the change of ownership, Lanner has once again delivered excellent growth both of revenue (up 15% on 2018) and operating profit (up 22% on 2018) while also making significant progress to integrate itself within RHDHV and developing and implementing its strategy. A great deal of effort has been put in by the Lanner team, as always, and excellent progress has been made in our challenge to be the leading simulation company in the Industry 4.0 and digital transformation space.

Lanner, now as a key part of RHDHV's digital transformation and data driven solutions strategy, continues to drive the business forward with a better understanding of the needs of the market and our customers, even more so now, through a digital lens. The investment that has been made in our cloud, experimentation, digital twin and visualisation technology better positions us to take advantage of the opportunities created by Industry 4.0 and other related challenges. Lanner has continued to invest in its simulation technology approach and methodology to enable scalable SaaS based enterprise deployments to create and develop solutions for different vertical markets where there is scalable potential. We continue to provide value to our long-standing customers that is reflected in the solid revenue base from new sales to existing customers and in our recurring service and annual support sales.

LANNER GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Business review (continued)

There remains plenty left to do, but the direction of travel is clear. We need to work hard together to convert the opportunities we see ahead to generate value for Lanner, RHDHV and for our mutual customers, both existing and new.

In 2019 Lanner delivered revenue of £4.6m and an operating profit of £794k before other operating income and exceptional expenditure compared to revenue in 2018 of £4.0m and an operating profit of £650k. This represents a second successive year of impressive revenue and operating profit growth.

Following the acquisition by RHDHV all categories of shares were consolidated into one class which increased the equity share capital from £50k to £157k. Total assets less current liabilities have increased in the year from £341k to £855k.

There was an inflow of cash in the year of £633k from the business activities prior to a net outflow of £701k as a result of the acquisition by RHDHV; as a result, cash balances decreased by £68k from £419k to £351k.

Since the year end, there has been an outbreak of Coronavirus which has developed into a global pandemic. The directors are naturally concerned about the impact this will have on the employees, suppliers and customers of the group and are currently assessing what those impacts might be. The group is well placed in terms of business continuity as, being a software developer, our main source of supply is our people, and we have initiated several actions to enable them to continue working safely, such as working from home and using technology to hold virtual meetings rather than face to face meetings.

There is clearly and understandably a lot of uncertainty around the impact of the virus on the global economy, but the directors are confident they will be able to manage the group through the uncertainty. The group's bank balances are strong, our employees are able to work efficiently from home and our order book is strong.

We would like to thank RHDHV for their support during the year and their shared vision for our future, as we continue to look forward to the future with excitement.

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

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

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LANNER GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Directors

The directors who served during the year are as stated on the company information page.

Qualifying third party indemnity provisions

The company has insurance provisions in place to provide indemnity cover for directors and officers of the company.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider appropriate. More details are given in the basis of preparation within note 1.

Disclosure of information to auditor

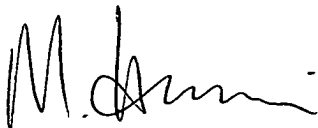
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Post balance sheet events

Post balance sheet events have been disclosed in note 19.

This report was approved by the board and signed on its behalf by:



M Hussain
Director

Date: 24 March 2020

LANNER GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANNER GROUP LIMITED

Opinion

We have audited the financial statements of Lanner Group Limited (the 'company') and its subsidiaries (the 'group') for the year ended 31 December 2019, which comprise the group profit and loss account, the group and company balance sheets, the group and company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2019 and of the group's 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the going concern accounting policy in note 2, which refers to the global Coronavirus pandemic. Our opinion is not modified in this respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

LANNER GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANNER GROUP LIMITED (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a group strategic report.

LANNER GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANNER GROUP LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 2, 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members 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 for our audit work, for this report, or for the opinions we have formed.

Cooper Parry Group Limited

Daniel Parker (Senior statutory auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Date: **26/3/20**

LANNER GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Turnover	2	4,623	4,037
Cost of sales		(3,304)	(2,900)
Gross profit		<u>1,319</u>	<u>1,137</u>
Administrative expenses		(525)	(512)
Other operating income	3	-	25
Operating profit		<u>794</u>	<u>650</u>
Exceptional other operating income	3	883	-
Exceptional administrative expenses	6	(1,915)	-
(Loss)/profit on ordinary activities before interest		<u>(238)</u>	<u>650</u>
Interest payable and expenses		(144)	(208)
(Loss)/profit before taxation		<u>(382)</u>	<u>442</u>
Tax on (loss)/profit	5	175	(108)
(Loss)/profit for the financial year		<u><u>(207)</u></u>	<u><u>334</u></u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated profit and loss account.

The notes on pages 12 to 26 form part of these financial statements.

LANNER GROUP LIMITED
REGISTERED NUMBER: 03134383

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	7	48	33
Current assets			
Debtors: amounts falling due within one year	9	1,637	1,496
Cash at bank and in hand		351	419
		1,988	1,915
Creditors: amounts falling due within one year	10	(1,181)	(1,607)
Net current assets		807	308
Total assets less current liabilities		855	341
Creditors: amounts falling due after more than one year	11	2,059	1,435
Capital and reserves			
Called up share capital	13	157	50
Profit and loss account	14	(1,361)	(1,144)
Equity attributable to owners of the company	18	(1,204)	(1,094)
		855	341

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



M Hussain
Director

Date: 24 March 2020

The notes on pages 12 to 26 form part of these financial statements.


LANNER GROUP LIMITED
REGISTERED NUMBER: 03134383

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	7	42	31
Investments	8	61	61
		<u>103</u>	<u>92</u>
Current assets			
Debtors: amounts falling due within one year	9	1,114	1,050
Cash at bank and in hand		296	398
		<u>1,410</u>	<u>1,448</u>
Creditors: amounts falling due within one year	10	(868)	(1,303)
		<u>542</u>	<u>145</u>
Net current assets		<u>645</u>	<u>237</u>
Total assets less current liabilities		<u>645</u>	<u>237</u>
Creditors: amounts falling due after more than one year	11	1,970	1,435
Capital and reserves			
Called up share capital	13	157	50
Profit and loss account	14	<u>(1,482)</u>	<u>(1,248)</u>
Equity attributable to the owners of the company	18	(1,325)	(1,198)
		<u>645</u>	<u>237</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



M Hussain
Director

Date: 24 March 2020

The notes on pages 12 to 26 form part of these financial statements.

LANNER GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	50	(1,144)	(1,094)
Loss for the year	-	(207)	(207)
Foreign exchange movement	-	(10)	(10)
Shares consolidation during the year	107	-	107
At 31 December 2019	<u>157</u>	<u>(1,361)</u>	<u>(1,204)</u>

The notes on pages 12 to 26 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	50	(1,482)	(1,432)
Profit for the year	-	334	334
Foreign exchange movement	-	4	4
At 31 December 2018	<u>50</u>	<u>(1,144)</u>	<u>(1,094)</u>

The notes on pages 12 to 26 form part of these financial statements.

LANNER GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	50	(1,248)	(1,198)
Loss for the year	-	(234)	(234)
Consolidation of shares	107	-	107
At 31 December 2019	<u>157</u>	<u>(1,482)</u>	<u>(1,325)</u>

The notes on pages 12 to 26 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	50	(1,650)	(1,600)
Profit for the year	-	402	402
At 31 December 2018	<u>50</u>	<u>(1,248)</u>	<u>(1,198)</u>

The notes on pages 12 to 26 form part of these financial statements.

LANNER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1. Accounting policies

1.1 Basis of preparation of financial statements

Lanner Group Limited is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in sterling (£) which is the functional currency of the company. The financial statements are for the year ended 31 December 2019 (2018: year ended 31 December 2018).

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland including section 1A of FRS 102 and the Companies Act 2006.

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

1.3 Disclosure exemptions

As permitted by FRS 102 section 1.12, the company has taken advantage of the disclosure exemption available on aggregate remuneration of key management personnel and related party transactions in relation to wholly owned group companies.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

LANNER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.4 Going concern

The financial statements have been prepared on a going concern basis, which the directors consider to be appropriate on the basis of support from their parent company who have confirmed their support for a period of at least 12 months following the date of signing these financial statements. The group was acquired by HaskoningDHV UK Holdings Limited, an RHDHV company, on 15 January 2019 and, as part of the deal, loan facilities have been provided which the directors believe are sufficient to support the operations of the business for the foreseeable future.

As explained in note 19, since the year end there has been a global Coronavirus pandemic which is having a significant economic impact globally. At the time of signing these financial statements, it is relatively early days regarding an assessment of the impact of the virus on the global economy, but it is clear there will be a significant level of uncertainty in all markets around the world for a sustained period of time. However, the directors believe the group is well placed to trade through the uncertain times caused by the Coronavirus pandemic due to the support from its parent company, its strong cash position and its future order book.

On this basis the directors are confident that the group has adequate resources to continue in operation and, accordingly, have adopted the going concern basis in preparing the financial statements.

1.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

LANNER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Office equipment	- over a 6 to 10 year period
Computer equipment	- over a 3 year period

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated profit and loss account.

1.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the consolidated profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the consolidated profit and loss account in the same period as the related expenditure.

LANNER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.9 Foreign currency translation

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated profit and loss account within administrative expenses.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in the consolidated statement of changes in equity.

1.10 Finance costs

Finance costs are charged to the consolidated profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.11 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the consolidated profit and loss account on a straight line basis over the lease term.

1.12 Pensions

Lanner Group Limited operates a self-invested personal pension (SIPP) for its employees. Lanner Inc operates a 401 (k) retirement savings plan for its employees. The UK SIPP and the US 401 (k) plan are both defined contribution arrangements which both employer and employees contribute to and once the contributions have been made the group has no further obligations. Contributions are recognised as an expense in the profit and loss account when they fall due and amounts not paid at the year end are shown as a liability in the balance sheet. Lanner Group SARL pension arrangements are arranged by the French state and funded from employer taxes.

LANNER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax.

Current tax is recognised for the amount of corporate tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

1.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

1.15 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to and from related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

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

LANNER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Turnover

68.1% of the group's turnover (2018: 65.5%) is attributable to the geographical markets outside of the United Kingdom.

Analysis of turnover by country of destination:

	2019	2018
	£000	£000
United Kingdom	1,476	1,394
Rest of Europe	1,386	1,234
Rest of the world	1,761	1,409
	<u>4,623</u>	<u>4,037</u>

3. Other operating income

	2019	2018
	£000	£000
Management fee charged to the parent company	883	-
Government grants receivable	-	25
	<u>883</u>	<u>25</u>

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	Group	Group	Company	Company
	2019	2018	2019	2018
	No.	No.	No.	No.
Employees	<u>37</u>	<u>36</u>	<u>32</u>	<u>31</u>

LANNER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Taxation

	2019 £000	2018 £000
Foreign tax		
Foreign tax on income for the year	5	6
Total current tax	<u>5</u>	<u>6</u>
Deferred tax		
Tax losses carried forward	(180)	102
Total deferred tax	<u>(180)</u>	<u>102</u>
Taxation on (loss)/profit on ordinary activities	<u>(175)</u>	<u>108</u>

Factors affecting tax charge for the year

The tax charge for the year has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2018: 19%). The tax charge has been calculated after utilising brought forward losses.

Factors that may affect future tax charges

Unrecognised tax losses of circa £4.9 million (2018: £4.5 million) are available to offset certain future group profits.

LANNER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Exceptional items

	2019 £000	2018 £000
Exceptional payroll costs	1,915	-
	<u>1,915</u>	<u>-</u>

7. Tangible fixed assets

Group

	Short-term leasehold property £000	Plant and machinery £000	Total £000
Cost or valuation			
At 1 January 2019	16	163	179
Additions	-	37	37
Disposals	-	(44)	(44)
At 31 December 2019	<u>16</u>	<u>156</u>	<u>172</u>
Depreciation			
At 1 January 2019	16	130	146
Charge for the year	-	21	21
Disposals	-	(43)	(43)
At 31 December 2019	<u>16</u>	<u>108</u>	<u>124</u>
Net book value			
At 31 December 2019	<u>-</u>	<u>48</u>	<u>48</u>
At 31 December 2018	<u>-</u>	<u>33</u>	<u>33</u>

LANNER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7. Tangible fixed assets (continued)

Company

	Short-term leasehold property £000	Plant and machinery £000	Total £000
Cost or valuation			
At 1 January 2019	16	152	168
Additions	-	31	31
Disposals	-	(42)	(42)
At 31 December 2019	16	141	157
Depreciation			
At 1 January 2019	16	121	137
Charge for the year	-	19	19
Disposals	-	(41)	(41)
At 31 December 2019	16	99	115
Net book value			
At 31 December 2019	-	42	42
At 31 December 2018	-	31	31

LANNER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2019	1,270
At 31 December 2019	<u>1,270</u>
Impairment	
At 1 January 2019	1,209
At 31 December 2019	<u>1,209</u>
Net book value	
At 31 December 2019	<u><u>61</u></u>
At 31 December 2018	<u><u>61</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding
Lanner Group SARL	France	Ordinary	100%
Lanner Inc	USA	Ordinary	100%

Following the acquisition by HaskoningDHV UK Holdings Limited on 15 January 2019, Lanner Employees Trustees Limited is no longer a subsidiary of Lanner Group Limited.

LANNER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Fixed asset investments (continued)

The registered offices of the above companies are as follows:

Lanner Group SARL
Bureau 525
Tour Egee 9/11 Allée de l'Arche
Courbevoie Cedex
Paris La Défense
92671
France

Lanner Inc
10777 Westheimer Rd, Suite 1100
Houston 77042
Texas
United States of America

9. Debtors

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Trade debtors	1,197	1,084	665	709
Amounts owed by group undertakings	-	-	94	15
Other debtors	94	214	94	215
Prepayments and accrued income	104	136	90	111
Deferred taxation	242	62	171	-
	<u>1,637</u>	<u>1,496</u>	<u>1,114</u>	<u>1,050</u>

LANNER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Creditors: Amounts falling due within one year

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Secured loans	-	400	-	400
Trade creditors	45	98	47	93
Amounts owed to group undertakings	-	-	61	64
Other taxation and social security	142	176	95	101
Other creditors	413	176	334	211
Accruals and deferred income	581	757	331	434
	<u>1,181</u>	<u>1,607</u>	<u>868</u>	<u>1,303</u>

11. Creditors: Amounts falling due after more than one year

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Other	-	1,129	-	1,129
Secured loans	1,179	199	1,179	199
Other creditors	880	-	791	-
Share capital treated as debt	-	107	-	107
	<u>2,059</u>	<u>1,435</u>	<u>1,970</u>	<u>1,435</u>

Within the current year, the secured loans are from HaskoningDHV UK Holdings Ltd the immediate parent company, and amounted to £1,179,000 (2018: Nil). Interest at a rate of 4.75% per annum accrues on the loan.

Within the prior year, the secured loans were from the investment group headed by NVM Private Equity Limited and amounted to £599,000. The loan was secured by a fixed and floating debenture over the assets of the company. Interest at a rate of 8% per annum accrued on the loan.

LANNER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Deferred taxation

Group

	Deferred taxation £000
At beginning of year	62
Credited to the consolidated profit and loss account	180
At 31 December 2019	<u>242</u>

Company

	Deferred taxation £000
At beginning of year	-
Credited to the consolidated profit and loss account	171
At 31 December 2019	<u>171</u>

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Tax losses carried forward	<u>242</u>	<u>62</u>	<u>171</u>	<u>-</u>

LANNER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Share capital

	2019 £000	2018 £000
Shares classified as equity		
Allotted, called up and fully paid		
2,400,000 'D' ordinary shares of £0.01 each	-	24
2,100,000 'F' ordinary shares of £0.01 each	-	21
500,000 'G' ordinary shares of £0.01 each	-	5
1,000 Ordinary shares of £157.44458 each	157	-
	<u>157</u>	<u>50</u>
Shares classified as debt		2018 £000
Allotted, called up and fully paid		
10,168,458 Deferred shares of £0.0100 each	-	101
57,600,000 'E' ordinary shares of £0.0001 each	-	6
	<u>-</u>	<u>107</u>

During the year, Lanner Group Limited consolidated all previous classes of shares into a new share structure of 1,000 ordinary shares.

14. Reserves

Profit and loss account

The profit and loss account includes all current and prior periods retained profits and losses.

15. Commitments under operating leases

At 31 December 2019 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Not later than 1 year	133	153	133	124
Later than 1 year and not later than 5 years	67	-	-	-
	<u>200</u>	<u>153</u>	<u>133</u>	<u>124</u>

LANNER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Key management personnel

During the year the key management personnel received emoluments of £1,637,000 (2018: £407,000).

17. Controlling party

During the year, the group was acquired by HaskoningDHV UK Holdings Limited, and after this date the ultimate undertaking and controlling party is Koninklijke HaskoningDHV Groep BV, a company incorporated in The Netherlands with a registered office at Laan 1914 35, 3818EX, Amersfoort, The Netherlands.

18. Reconciliation of movements in shareholders' funds

	Group Equity £000	Group Non-equity £000	Company Equity £000	Company Non-equity £000
Equity interests	(1,094)	-	(1,198)	-
Non-equity interests	-	107	-	107
Share premium account	-	570	-	570
Other non-equity interests	-	559	-	559
At the beginning of the period	(1,094)	1,236	(1,198)	1,236
Total recognised gains and losses for the financial year	(217)	(570)	(234)	(570)
Shares consolidated during the year	107	(107)	107	(107)
Repayment of share capital	-	(559)	-	(559)
At 31 December 2019	<u>(1,204)</u>	<u>-</u>	<u>(1,325)</u>	<u>-</u>

19. Post Balance Sheet Event

Subsequent to the year end, there has been an outbreak of Coronavirus which has developed into a global pandemic. At this stage the directors are assessing what impact this may have on the group but although there is a high level of uncertainty about the extent and the timeframe of the virus on the global economy, they believe the company is strongly positioned to handle any downturn that may occur in any of the territories the group operates in.

FREETHS

By Special Delivery

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

Direct dial: +44 (0)845 634 9787
Direct fax: +44 (0)845 634 9803
Switchboard: +44 (0)115 936 9369
Email: claire.harlow@freeths.co.uk

14 April 2020

Our Ref: CH/9032/2117133/1/CH

Dear Sirs

TERRIER DEVELOPMENTS LIMITED – COMPANY NUMBER: 10077598

We enclose for filing on behalf of the above Company, Accounts for the period ending 31 July 2019.

Please acknowledge safe receipt by barcoding and returning to us the enclosed copy letter.

Yours faithfully

This letter is approved but unsigned

Freeths LLP

Encs

Please respond by e-mail where possible

Please read our Data Protection Privacy Notice at www.freeths.co.uk

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