



Annual Report

2021



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Venterra Group Plc

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Chairman and Chief Executive's Review

We are pleased to present Venterra Group's first Annual Report and Accounts for the period ending 31 December 2021.

Venterra Group was formed with the purpose of helping the world's energy transition through the growth of offshore wind power. We are pleased to report that much has been achieved in the growth of Venterra in the short time since the company was formed in April 2021.

Venterra was set up in response to a big opportunity – the need to create a business of scale in offshore wind services which has, to date, relied upon a fragmented set of smaller companies. These have great expertise but lack both the capital and global reach to meet unprecedented demand, so we set out to create a global services champion supporting offshore wind's rapid expansion. Our mission is to service wind energy developers globally with best-in-class engineering, construction and operations services, through acquiring and partnering with asset light and differentiated providers with an entrepreneurial culture and technological drive.

When Venterra was established in 2021 global offshore wind capacity was set to increase seven-fold from 33 GW in 2020 to around 280 GW by 2030. Subsequent to the war in the Ukraine in early 2022, energy security has become paramount alongside the climate crisis. The United Kingdom, European Union and United States have together since added a further 50GW to their 2030 targets to urgently create more clean energy and reduce reliance on hydrocarbons.

We have, through acquisition and early investment successfully built the foundations needed to become a powerful industrial business, while becoming ever more certain of the market opportunity.

Building our unique platform

Venterra has started to acquire, partner and invest in service businesses across the wind farm lifecycle in three distinctive phases; Engineer, Build and Support. Developers and Tier One contractors award around thirty different packages of activity across these phases and we have made great progress in building our initial footprint to meet this demand with our first eight member companies.

After the initial six months of our start-up phase we publicly launched the business on October 28th 2021 with our first three member companies, Gavin & Doherty Geosolutions ('GDG'), Osbit and Found Ocean. During 2022 we acquired a further four companies; Ordtek, Partrac, Balltec and INSPIRE and founded an eighth member company, Naver Energy.

We have built a strong Engineering offering with services across geoscience (GDG) metocean data (Partrac) unexploded ordnance risk management (Ordtek) and oceanographic survey (INSPIRE). Together they provide vital data and consulting expertise to developers taking crucial early decisions around permitting, site selection and assessment and design.

Our Build phase offering comprises Osbit, a leading provider of bespoke equipment that designs and builds subsea trenchers, grippers and hinges and other specialist machinery needed to install ever larger turbines in a wide variety of marine environments. They partner with Balltec which uses proprietary technology to design and manufacture lifting devices and subsea interconnectors vital to wind farm installation. These businesses are complemented by Found Ocean, the global market leader in grouting wind farm tower components securely in all geological and maritime conditions.

In addition, Naver Energy provides project management, owners engineer and consulting services to developers and their financiers through the full OWF development cycle.

We are actively targeting a distinctive range of further activities across the Operation & Maintenance phase in the windfarm lifecycle.

As we grow in scale it is essential to Venterra that member companies retain their own identity, leadership and culture - the very things that made them successful. Equally we can realise efficiencies and support growth through measured integration, and we are pleased with the collaborative culture and teamwork that is leading to coordinated work on technical innovation, business development and market entry plans..

Building a strong Board and Corporate Team

We are fortunate to have assembled a highly respected set of Board directors who are leaders in their respective fields and bring both wisdom and practical help to our business. We were joined in June 2021 by Dame Vivienne Cox and Tove Feld, and in January 2022 Charles Holliday joined as our Lead Independent Director. In February 2022 Alex Krueger joined as a director when First Reserve became a strategic investor. Duncan Palmer joined as a Non Executive Director in October and will become the Chair of Venterra's Audit and Risk Committee.

In building a new business from a standing start, it is important to make every appointment count and we have assembled a strong corporate team with the right collegiate culture and work rate to drive momentum through the business.

To build a robust and resilient business we have started putting in place the structures necessary for global scale and operating to the standards of a publicly listed company. These cover finance, HSSEQ, strategy and group development, HR, legal and compliance and corporate affairs.

Funding our Growth

We have grown the business by an initial management funding round and two subsequent rounds open to a wider group of investors at increased valuations. At the most recent round in February 2022 we welcomed First Reserve, the prominent energy investment firm as our strategic investor. We have seen strong investor demand and have deliberately restricted the amount of capital raised to date to match the immediate demands of the acquisition pipeline. Looking forward we will consider a variety of funding options including convertibles, debt and equity.

Future Developments

The trading performance of member companies acquired to date has met our expectations for their rapid expansion, and the end markets they serve are growing at over 20% per annum. This performance underpins our investment thesis as we see industry forecasts for rapid expansion turning into real orders.

In addition to the capital we are putting behind member companies to accelerate their growth we are starting to see revenue synergies build between adjacent activities where services complement each other. As we continue to work on coordinated business development initiatives we expect to see these synergies accelerate further in the year ahead.

We are also starting to work on solving technology issues for clients on a multi-disciplinary basis and this capacity will grow as we bring more specialist activities into the group. Our footprint is only partially formed, but we already see how collaboration increases our ability to solve client problems.

We will continue to build out our platform of capabilities across the full Offshore Wind Farm (OWF) lifecycle, both through organic growth and further acquisitions. We are both investing in our present member company growth plans, and developing our 'third wave' of acquisitions and we anticipate an additional fundraising round in the near future to support this growth. We go forward with a fast growing platform and the ambition to maintain our growth trajectory to enhance our client offering across all three of our Engineer, Build and Support phases, which in turn will give us the financial scale required for an IPO.

We would like to thank shareholders for their support in this founding period of Venterra's life and look forward to a long and successful association in this exciting venture.

A handwritten signature in black ink, appearing to read 'Ayman'.

Ayman Asfari
Executive Chairman
21 December 2022

A handwritten signature in black ink, appearing to read 'Rob Jewkes'.

Rob Jewkes
Chief Executive Officer



Strategic Report

Our strategy

The Board of Directors have the pleasure of presenting their strategic report for the period from 19 April to 31 December 2021.

Venterra's vision is to become a global services champion enabling wind energy to lead in the energy transition.

We are acquiring select companies in the offshore wind services industry, adding our management support and capital to fuel expansion. Alongside this we are looking to back experienced management teams to explore new specialist businesses.

Venterra's aim is to build a comprehensive set of services across the lifecycle of the wind farm across three phases, Engineer, Build and Support.

Engineer

Venterra member companies provide a range of geoscience, marine and seabed, metocean and unexploded ordnance surveys. We support developers with site identification and data to obtain licences and permitting and with wind farm design and project management services.

Build

We support our clients through the 'Build' phase with specialist services in build planning, logistics, foundation installation services, interconnectors and moorings. We offer design and build of bespoke offshore equipment such as hinges, grippers and subsea trenchers. We provide grouting services for turbine installation in windfarms worldwide.

Support

We ensure efficient operation and performance of wind farm assets over their lifetime, providing clients with project management and; operational support, with further intended offerings in maintenance and repair.

Our Business Model

Venterra provides a growing range of services across the lifecycle of the wind farm to leading developers and tier one contractors around the world. As a trusted global partner Venterra, via its member companies, supports clients by delivering the highest standards of international compliance, as well as rigorous quality, health, safety and environmental performance to support projects worldwide in each area of its activity.

Our business model provides clients with services through a combination of service fees, fixed and lump sum contracts, rental agreements and consulting hours.

Our Member Companies

Our member companies have specialist and differentiated capabilities in their respective fields. As at 31 December 2021, they employed around 300 people and this has increased to around 450 at the time of signing these financial statements.

In chronological order of joining Venterra, our member companies are:

During 2021

- GDG - A specialist offshore engineering and design consultancy, with a particular focus on the offshore wind sector.
- Osbit – Designs, builds and delivers innovative mission equipment. It develops bespoke systems for vessel and equipment operators across a broad range of technology streams, including foundation installation, subsea trenching, cable lay and handling.
- Found Ocean – Specialises in providing offshore grouting and stabilisation services to offshore installation contractors worldwide. It is the world's leading provider of offshore construction grouting.

During 2022 (ahead of publication of this report)



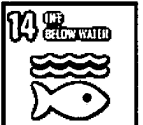
- Ordtek – A world leading provider of unexploded ordnance ('UXO') risk management consultancy
- Partrac - A specialist metocean and seabed consultancy, with a particular focus on the offshore wind sector
- Balltec - Designs, manufactures and tests high integrity mechanical connectors and lifting devices in the renewable energy and oil & gas sectors
- INSPIRE Environmental – A leading marine environmental consultancy with expertise in the acquisition and interpretation of data that determines the health of the seabed and the resources that rely on ocean habitats.
- Naver Energy – Venterra's first start up, backing an experienced team of seven founding partners to provide project management services to developers across the EU and UK, US and APAC.

Our Sustainability Strategy

Playing a role in the creation of clean energy is integral to our existence, to the benefit of immediate stakeholders, wider society, and the planet. Global wind energy must rapidly reach significant global scale within a decade to make its vital contribution to meeting the Paris Agreement goals and provide security of supply in a geopolitically complex world.

Our sustainability strategy informs everything we do and is aligned with UN Sustainable Development Goals. Our team is working on measuring the impacts we make as a business both in helping our clients and improving our own environmental performance across our own operations. Our first sustainability report for 2022 will be published in early 2023.

Our sustainability strategy is based on four key focus areas:

1. Access to Clean Energy and Climate Action	 
<p>To provide services to the offshore wind industry to achieve large scale capacity in the timeframe planned by policy makers and developers to achieve the Paris Agreement goals and a secure source of energy supply.</p> <p>In line with UN SDGs 7 and 13 we aim to help support the growth of wind energy to provide access to affordable and clean energy and in turn taking action to combat climate change.</p>	
2. Protect and Enhance the Environment	
<p>To help developers across the 'Engineer, Build and Support' stages of the windfarm lifecycle by providing low carbon alternatives through the supply chain to create clean energy in the most sustainable way, reducing developers' GHG emissions and minimising environmental impacts.</p> <p>We predominantly work in the seas and oceans and aim to protect and enhance the marine environment in support of UN SDG 14.</p>	

3. The Skills Transition



To tackle the skills shortage that is the offshore wind sector's greatest limiting factor, finding ways to attract and train new talent in an industry that must multiply at unprecedented speed.

This goal is aligned with UN SDG 8 - promoting high value jobs and sustainable economic growth.

4. Corporate Responsibility



To operate in a socially responsible way, conduct our operations in accordance with robust ESG targets that reflect our mission and role in the new energy system.

Venterra will publish its first annual ESG report in spring 2023 using 2022 as its baseline year. We have reviewed areas of materiality to Venterra's business and started to collect data for the relevant KPIs. This data will enable us to report in accordance with GRI, SASB and TCFD.

Venterra's leadership understands that sustainability must be present in all areas of the business on every organisational level across the group.

We aim to work with clients, suppliers and partners who share our values.

Governance and Enacting Sustainability

We combine strong internal governance with clear communication to ensure that stakeholder goals and objectives translate into business practices by all Venterra employees.

A commitment to sustainability is at the heart of our Board's approach to growing and governing the business and is part of the Board's overall approach to risk oversight.

Our Independent Directors are leaders in the energy transition in their own right. They have global experience leading companies and advising governments and industry bodies on decarbonisation and building a 'Net Zero' energy system and economy.

The Board is responsible for overseeing sustainability across business strategy, functional activities, operational delivery in member companies and the setting and delivery of group ESG targets.

During 2022 the member companies have set ESG targets and timelines for the business to achieve the specific focus areas above. Under supervision of the Board and the Executive Committee implementation of the programme will be managed by the Sustainability & ESG Committee which is comprised of Corporate Team function heads and ESG Champions from member companies.

Our people

Helping the world's energy transition through wind power requires empowered and capable people working collaboratively and safely across Venterra.

The global offshore wind industry faces no greater challenge than attracting the skills and human capital to resource its growth. An industry that has taken two decades to build 33GW of installed capacity worldwide is planned to grow to 280 GW by 2030.

Within this context Venterra places a premium on attracting and retaining talent to underpin its growth. At the date of this report over 450 people work for member companies in 10 countries. We are creating jobs in offshore wind based around marine engineering skills and where possible allow 'remote' roles to widen our recruitment pool and ensure we attract the best candidates.

Working in a maritime environment means safety is paramount and we work with member companies to train and embed safety in all our working practices. It is an issue we return to week in, week out.

Within Venterra we are actively building a collaborative and open culture to help our people build fulfilling careers. As new member companies join they see the potential for working with sister companies that help them and their people expand their businesses faster and with a broader set of opportunities.

We are committed to advancing diversity and inclusion to help us create a sustainable future for our people as well as give our clients the best service possible. Programmes to ever improve our performance in this area will constitute part of our ESG reporting.

Employee engagement through formal channels with the senior leadership has been put in place from the start of the business and we are looking at ways to enhance communication and interaction between all member companies to help them realise their potential.

On 4th July 2022 employees were awarded share options to align everyone behind the company's mission. We are an entrepreneurial business and want to retain the dynamism that our early member companies have displayed so strongly.

Code of Conduct

We are bound by the laws of England and Wales, including the UK Bribery Act 2010 ("the Act"). This law is extra-territorial in scope, with broad application not only to British companies, citizens and residents, but also to all foreign companies doing business in the UK, regardless of whether the act or omission constituting bribery occurs within or outside the UK. All companies within the Group operate within the framework of the Act, as well as local laws which have direct effect.

All employees have access to an explanatory guide to the Act contained within our Code of Conduct and Anti-Bribery Policy. This Policy is reinforced with an on-line training programme, which is compulsory for a significant proportion of employee (regardless of location), particularly those in sales-focused roles or having the ability to commit the business to material liabilities or contractual commitments. As well as online training, during 2021 the opportunity was taken to conduct face-to-face anti-bribery training at each of our business operations.

Whistleblowing matters are reported through the Group's multi-lingual, anonymous Ethics and Integrity portal, which are considered (in the first instance) at a senior management level, but are also raised with (and considered by) the Board if required. During the past year, no cases were recorded on the Ethics and Integrity portal.

Ethics

One of Venterra's key competitive strengths is the fact that we are an ethical company, operating with integrity and to one standard worldwide. We do not tolerate corruption or bribery in any form, and are committed to maintaining the fundamental principles of fairness, honesty and common sense which lie at the heart of the Group's philosophy, values and corporate standards. We operate effective systems and processes to counter corrupt practices, including an anonymous "whistleblower" reporting facility where individuals can notify us of concerns.

Strong business ethics form the basis for our relationships with all of our key stakeholders, including employees, customers, partners, competitors and suppliers. Our Code of Conduct sets out the operating principles to which we adhere, which cover a diverse range of issues including anti-bribery, information assurance, intellectual property protection, fair competition, the working environment (including standards of behaviour expected from our employees), hospitality/entertainment and avoiding conflicts of interest.

Employee Overview

We believe that our c300 employees at 31 December 2021 are our key assets. 75 per cent are male and 25 per cent are female. The employee numbers here are the full-time equivalent number of people employed on a full or part-time basis, working in Venterra and its subsidiaries.

The table below provides a further breakdown:

Employees (Full Time Equivalent)	Male	Female	Total
Main Board Directors	3	-	3
Senior Management (Excom and their direct reports)	5	6	11
Corporate	8	6	14
GDG	78	40	118
Osbit	95	17	112
FoundOcean	40	9	49
Total	221	72	293

Creating a good working environment at all of our locations is of paramount importance. We strive to build a supportive, diverse and engaging workplace, whilst nurturing a high performance culture, built around our core values.

Human rights

Venterra is committed to upholding the human rights of our workers and to treating them with dignity and respect as understood by the international community. Our Code of Conduct covers all workers including permanent, temporary, migrant, student, contract, direct, indirect and other types of worker. Our Code details expected labour standards covering: freely chosen employment, child labour avoidance, humane treatment, freedom of association and non-discrimination. The Group does not engage in discrimination based on race, colour, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring or in employment practices such as promotions, rewards or access to training.

Training and development

We employ c300 people globally and will continue to invest in their training and development. We strongly believe in equipping our people with the skills to do their jobs effectively, encouraging them to develop to their full potential. Venterra through its member companies provides a variety of tailored training and development opportunities built around individual requirements.

Communities

Venterra believes our employees efforts make a huge difference to the locations in which we operate and to those people, projects and charities we are able to support. It also provides a platform for our employees to connect with and contribute to their local communities, which is of mutual benefit. Again, we thank our employees for their commitment and contribution and we will continue to support both them and the communities throughout 2021.

Section 172 Statement

Pursuant to Section 172(1) of the UK's Companies Act 2006, the directors consider that, during the financial year ended 31 December 2021, they acted in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, while having regard to the interests of other stakeholders, and the likely consequences of any decision in the long-term.

An overview of how the board had regard to the Section 172 factors is below.

How does the Board Engage with Stakeholders?

Considering a range of stakeholder interests is an important part of the Board's decision-making process.

The Board engages directly with investors, employees and other stakeholders on certain matters. Through working collaboratively with management and receiving feedback from Venterra's stakeholders, the board believes that Venterra is well positioned to respond to its challenges and opportunities.

The Board considers and discusses information from across the Group to help it understand the impact of the Group's business, and the interests and views of our key stakeholders. It reviews strategy, financial and operational performance, sustainability as well as information covering areas such as key risks and legal and regulatory compliance.

This information is provided to the Board through reports sent in advance of each board meeting, in-person presentations from Member Company managing directors and Corporate function heads.

As a result of these activities, the Board has an overview of engagement with stakeholders and other relevant factors, which enables the directors to comply with their legal duty under section 172.

Engagement in action

An overview of how the Board had regard to the Section 172 factors is below.

The Likely Consequences of any Decision in the Long Term

Venterra's strategy is to help the world's energy transition through wind power. The Board is very aware of the pressing need for offshore wind. As the offshore wind sector grows to meet rising demand, the Board is focused on the long-term and sustainable development of the Group as a global services champion.

The Board encourages Venterra input (via our Member Companies and Head of External Affairs) on Government policy which impacts on Venterra such as supply chain and production of windfarms through Government consultations and participation in industry sub-groups and roundtables. Through 2021 Venterra worked to develop good relations and regular engagement with industry bodies.

The clear long term business model as directed by the Board is to acquire and support existing service players with an entrepreneurial culture, technological drive and best in-class service to enable growth in scale and capability, so they can take their role in the energy transition and support the industry. Alongside this, the Board looks to back experienced management teams to explore new specialist businesses that complement Venterra's existing Member Companies.

Interests of Employees

Employee health and safety is our highest priority, and the Board requests and receives regular updates on progress to ensure that Member Companies have a culture encompassing HSSEQ within all operational activities. Activities were undertaken throughout the year for the Board to engage with employees, included townhalls and virtual town hall events hosted by the CEO and Executive chair, new Member Company onboarding sessions attended by the CEO and CFO, attendance of function heads such as HSSEQ at board meetings to present on their programs and regular virtual knowledge sharing sessions presented by Member Companies to allow directors and employees to learn about the business of each Member Company.

Fostering the Company's Relationships with Supplier and Customers

Venterra aims to be responsive to its client needs and is ambitious to grow by helping them achieve their goals. In the first year of trading all engagement with customers and suppliers was via Member Companies and Venterra presence at industry events. The Board encourages its businesses to take a collaborative approach with its customers to deliver tailored service solutions and create efficiencies for clients and third-party suppliers. As Venterra scales the business, it will engage with major customers and suppliers to the industry. Venterra and its Member Companies acknowledge the crucial role played by suppliers and recognises the importance of nurturing mutually beneficial business relationships.

The Impact of the Company's Operations on Communities and the Environment

Venterra's purpose has been articulated as "Helping the world's energy transition through wind power." The board strives to develop and execute a strategy to enable the global transition to greener, renewable energy. Playing a role in the creation of clean and secure energy is integral to our existence and benefits our immediate stakeholders, wider society, and the planet.

The Board is responsible for overseeing sustainability efforts across business strategy, functional activities, operational delivery in Member Companies and the setting and delivery of group ESG targets.

As Venterra is newly incorporated, direct engagement with communities is via Member Companies rather than the Board.

Reputation and Standards

The Board has clearly defined the Company's core values and is committed to ensuring the workforce and suppliers and clients with which we deal adhere to the high ethical behaviours. In 2022, all employees and directors will receive training in respect of Venterra's Anti-Bribery and Corruption Policy, Whistleblowing hotline and the Code of Conduct which covers, amongst other things, HSSEQ, diversity, equal opportunities and a harassment-free workplace, anti-bribery, financial crime prevention and protection of human rights. Venterra has a zero-tolerance policy towards bribery and corruption. Venterra is committed to an open, ethical, and safe business environment where its workforce feels able to speak up through its whistle-blowing policy and procedure. See the 'Our People' section of this report for further details.

A commitment to sustainability is at the heart of our board's approach to growing and governing the business. It is an opportunity for the business to make a societal contribution.

Acting Fairly between Members of the Company

The board recognises that effective stakeholder engagement is a key element of Venterra's strategy and is critical to achieve long-term and sustainable success. Venterra's intention is to drive value for all of stakeholders, delivering a high-quality, sustainable service for the long term. In the first period since incorporation the Company has been actively engaged with new shareholders via its fundraising rounds. Venterra held its first AGM in May 2022 and delivers this first annual report to shareholders. Investor meetings have been predominantly attended by our Executive Chair, CFO and CEO to date. Venterra continues to provide regular news updates to shareholders via targeted communications, investor roadshows, quarterly reports and wider stakeholders via its website.

Principal Decisions

The key decisions of the directors in the first year after incorporation of Venterra have been to set the overall strategy of the business and accordingly, what companies to acquire. The directors have considered matters set out in section 172 when taking the decisions to acquire GDG, Osbit and FoundOcean in 2021 by:

- Setting the long-term ambition and purpose of Venterra
- Hiring an experienced management team to help realize the Board's strategy by identifying acquisition targets, completing acquisitions and manage the investment process
- Ensure systems and process are in place for succession, evaluation and compensation of senior management within target entities.

Business review and results

Venterra Group Plc (the 'Group') was incorporated on 19 April 2021 with three founding shareholders (Ayman Asfari, Robert John Jewkes and Richard Gordon Milne) (collectively 'Founding Shareholders').

On 24 April 2021, the Founding Shareholders made an initial investment in the Company's ordinary share capital, totalling £0.4m (4,000,000 Ordinary Shares issued at £0.10 per share) and on 28 May 2021, the Company issued 700,000 Ordinary Shares in the company to Management, at an issue price of £0.70 per share.

The initial funding of £0.4m was used for set-up costs, due diligence and related advisory fees.

On 15 June 2021, the Group raised £25.2m of capital at an issue price of £1 per share and an additional £25.5m was raised on 19 July 2021 at an issue price of £1.50 per share.

This funding was used for the purchase of the first three member companies of the Group.

Gavin and Doherty Geosolutions Limited

Gavin and Doherty Geosolutions Limited (GDG) is a specialist offshore engineering and design consultancy, with a particular focus in the offshore wind sector.

GDG has worked on over 35GW of offshore wind farm developments around the world, both as designers and owners' engineers. With a highly technical team of over 100 engineers and scientists, GDG services the international offshore wind market from offices throughout the UK, Ireland and the Netherlands.

GDG brings together state of the art research and direct industry experience and can offer a unique engineering service, delivering the most progressive, reliable, and efficient offshore wind designs to our clients around the world.

Osbit Limited

Osbit Limited ("Osbit") designs, builds, and delivers innovative mission equipment to make more possible, with particular focus in offshore wind. Founded in 2010, Osbit develops bespoke systems for vessel and equipment operators across a broad range of technology streams, including foundation installation, subsea trenching, cable lay, and handling.

To date, Osbit's 100-strong team has directly supported >11GW of offshore wind farms globally, including ground-breaking developments which have improved the safety, efficiency, and cost effectiveness of offshore wind farm construction. The company operates from its head office and assembly facility in Northumberland, UK, as well as an office in Boston, United States.

FoundOcean Limited

FoundOcean is a subsea and offshore grouting specialist for the global energy subsea construction industries. The company's primary area of expertise lies in securing structures to the seabed by foundation grouting, including multiple installations for offshore wind farms. FoundOcean provides numerous life extension and decommissioning solutions for offshore assets – including freespan correction of pipelines and cables, structural strengthening & repair, concrete leg capping, lift point installation, pipe isolation and hydrocarbon displacement.

FoundOcean HQ and primary offshore service-base and warehouse is in Livingston, Scotland. Its specialist subsea and offshore engineering equipment is located at strategic out-bases for rapid deployment in key energy producing areas of the world.

Key Performance Indicators

Reported and Adjusted EBITDA

Total reported EBITDA represent the Group's overall performance.

The Group also uses a number of adjusted measures to report the performance of its business. Adjusted EBITDA may be considered in addition to, but not as a substitute for or superior to, information presented in accordance with IFRS.

The Group believes that Adjusted EBITDA, when considered together with Reported EBITDA, provide investors, analysts and other stakeholders with helpful complementary information to understand better the financial performance and position of the Group from period to period, and allow the Group's performance to be more easily compared against the majority of its peer companies. These measures are also used by management for planning and reporting purposes.

They may not be directly comparable with similarly described measures used by other companies. The results below include the results from operations after the date they were acquired with GDG consolidated from 19th July through 31st December, Osbit from 10th September and FoundOcean from 25th October.

	Engineering £'000	Build £'000	Total businesses £'000	Other £'000	Consol Adj £'000	Total £'000
External revenue	3,913	12,057	15,970	-	-	15,970
Intersegment revenue	1,896	-	1,896	1,473	(3,365)	4
Total revenue	5,809	12,057	17,866	1,473	(3,365)	15,974
Cost of sales	(2,480)	(9,781)	(12,261)	-	4,012	(8,249)
Gross profit	3,329	2,276	5,605	1,473	647	7,725
Administrative expenses	(3,116)	(6,187)	(9,303)	(4,984)	-	(14,287)
Other income	234	6	240	-	-	240
Other operating expenses	(254)	(941)	(1,195)	(872)	1,567	(500)
Impairment loss	(18)	(104)	(122)	-	-	(122)
Operating Loss/EBIT	175	(4,950)	(4,775)	(4,383)	2,214	(6,944)
Depreciation and amortisation	290	845	1,135	-	-	1,135
Reported EBITDA	465	(4,105)	(3,640)	(4,383)	2,214	(5,809)
Adjusting items :						
Share-based payment	-	1,592	1,592	227	-	1,819
Acquisition costs	-	77	77	3,491	(92)	3,476
Intercompany service charges	186	851	1,037	438	(1,475)	-
Adjusted EBITDA	651	(1,585)	(934)	(227)	647	(514)

Adjusting items

Share-based payment

The Group has acquired acquisitions with a mixture of cash and equity. Where the amounts paid are in the form of earn-outs and linked to continuous employment they have been accounted for as a share-based payment and adjusted for in arriving at Adjusted EBITDA. The group also operates various other share-based payment plans which gives rise to an associated income statement charge which is also not reflective of underlying performance, and hence adjusted for.

Acquisition costs

Transaction related accounting or other adjustments relating to significant acquisitions.

Intercompany service charges

Management service charges incurred at the corporate level and recharged to the Group's various subsidiaries.

Cash Flow

Net cash at year end was £11.8m.

Equity

Key to the development of the Group is fund-raising and the acquisition of new businesses and we completed three funding rounds and the acquisition of three businesses as highlighted above. To this end, the board monitors total equity which was £61.6m at the end of December 2021. This includes £19.7m of cash and cash equivalents which will be used to invest in acquired businesses and fund future acquisitions.

Subsequent events

On 18 February 2022, the Group raised £40.0 million of capital from First Reserve and other investors at an issue price of £3.00 per share. First Reserve subscribed to circa 44% of this round. The remaining round was subscribed by high net worth individuals including family and friends of the Founding Shareholders.

Post the fundraising, the Group completed the following four acquisitions:

- Ordtek was acquired on 1 March 2022. The company employs a blend of risk management and geoscience techniques to assess and mitigate the risks posed to development.
- Partrac Limited was acquired on 1 June 2022. The Company is a metocean and seabed consultancy, servicing clients in the offshore wind, ports and marine construction sectors.
- Balltec Limited was acquired on 16 June 2022. The company is a manufacturer of high integrity mechanical connectors for critical applications in the global oil, gas and renewable energy sectors.
- Inspire Environmental LLC was acquired on 14 July 2022. The company is a team of marine environmental scientists that specialize in inspecting, interpreting and contextualising sea floor health.

The Group's operations expose it to a number of risks in connection with overall business influences (including financial factors), these are broadly categorised as legal, strategic and reputational risks, both at an operational and corporate level.

The purpose of the risk management process is to recognise, quantify, manage and mitigate our risks.

The Executive Committee is responsible for conducting quarterly Enterprise Risk and Opportunity reviews and assessing the level of each risk, determining if further risk reducing measures are required should a risk level be higher than desired. The results of such reviews are communicated to the Board of Directors.

In addition to identified corporate business risks, processes are implemented within operating entities to manage the day-to-day risks which have a small probability of occurring, but which could impact the Group financial and reputational security significantly. Such risks include, but are not limited to fatal accidents, health and safety events, natural disasters and specific commercial or contractual risks.

Sustainability and ESG risks are assessed using a similar model and shall be detailed within our future annual sustainability report. As we continue to grow and expand the organisational offering, risks related to climate change shall be addressed in accordance with the principles recommended by the Task Force on Climate related Financial Disclosure (TCFD).

The top six identified risks (post mitigation) recognised during the reporting period are detailed as follows:



Mitigating Measures

Risk and Impact		Mitigating Measures
①	<p>Inflation risk to future revenue and costs.</p> <p>Increased costs from inflation of wages, raw materials, energy and other input costs, leading to loss of value to the Group.</p>	<p>Review of macro-economic factors, sensitivity analysis on Group's exposure to macro factors</p> <p>Targeted salary reviews within operating entities supported by Group HR Director.</p> <p>Operating entities building in additional contingency, managing capability within the supply chain and adjusting systems and processes.</p>
②	<p>Failure to buy, integrate and grow businesses and deliver strategic plan.</p> <p>Inability to deliver business plan leading to reputational damage with stakeholders.</p>	<p>Structured M&A strategy with high focus on delivery by Board of Directors.</p> <p>Market analysis / research and ability to act on potential acquisitions rapidly in a fast-moving market.</p> <p>Monthly performance reviews and quarterly forecast reviews.</p>
③	<p>Inability to retain staff to execute business plan and effectively deliver business operations / contractual requirements.</p>	<p>Talent management strategy implemented.</p> <p>Regular reviews of contracts of employment, notices periods and benefit packages.</p> <p>Support employee engagement and retention through people development, diversity and inclusion.</p>

Risk and Impact	Mitigating Measures
<p>④ Major Breach or failure to comply with applicable legislation, including but not limited to, bribery and financial crime regulations, data protection laws and health and safety regulations.</p> <p>Civil or criminal liabilities, individual or corporate fines, market exclusion, rejection by counterparties and reputational damage. Business loss of key stakeholders and diversion of internal resources.</p>	<p>Compliance and ethics training programme implemented, including communication of policy requirements and online workshops.</p> <p>Importance of a strong compliance culture is emphasised from the Board of Directors.</p> <p>Agency agreements are audited within operating entities.</p>
<p>⑤ Unable to achieve a successful IPO.</p> <p>Shareholders unable to achieve desired returns.</p> <p>Higher cost of debt or equity.</p>	<p>Structured M&A strategy with high focus on delivery by Board of Directors.</p> <p>Significant focus on IPO process delivery by Executive Team.</p> <p>Funding strategies to contemplate the risk of delay.</p> <p>Clear communications are delivered to stakeholders.</p>
<p>⑥ Sanctions breach leading to criminal liabilities, individual or corporate fines.</p> <p>Market exclusion, rejection by counterparties and reputational damage.</p> <p>Business loss of key stakeholders and diversion of internal resources.</p>	<p>Thorough due diligence around sanctions through utilisation of 'Risk Screen' programme.</p> <p>Group whistleblowing policy and code of conduct implemented and communicated to all employees.</p>

Emerging Risks

The board have identified the following emerging risks for the business:

- The effects of COVID-19 and increasing supply chain volatility throughout the reporting period has presented and continues to remain a challenge for our operating entities, therefore close monitoring of mitigating factors remains a priority.
- A prolonged downturn or period of volatility in the capital markets could make expansion capital for acquisitions harder to raise on attractive terms. Our three successful funding rounds to date have provided ample liquidity for expanding Venterra and the energy transition remains an investor priority even in a more 'risk off' environment.
- The continued growth of the offshore wind sector is a key opportunity within Venterra's business plan, however this fast-paced growth supporting the energy transition also presents risk in terms of recruitment and retention of qualified and experienced personnel within our operating entities, and therefore remains a key focus across the Group.
- As the Group continues on its growth path, cyber security attacks are becoming more prevalent with an increasing number of cybercriminals seeking to financially harm companies. The business has implemented a scalable cyber security policy and programme to further mitigate against such threats.

The Strategic Report is approved by the board

A handwritten signature in black ink, appearing to read 'I. Ronald'.

Ivan Ronald

Director

21 December 2022



Financial Statements

Directors' Report

The directors note that, as a result of the Strategic Report and Directors' Report regulations of 2013 (which are amendments to the Companies Act 2006), some of the matters which would previously have been contained within the Directors' Report must (along with certain other reporting) appear within the separate Strategic Report. This Directors' Report therefore contains the remaining information required by statute to be disclosed.

Strategic Report

An overview of the business performance and future outlook is included in the strategic report.

Principal Activity

Venterra's mission is to support wind energy developers globally with best-in-class engineering, construction and operations services, through acquiring and partnering with experienced and differentiated providers with an entrepreneurial culture and technological drive. The company has been working on adding a combination of services across the wind farm lifecycle through acquisitions. The first three member companies (namely Gavin and Doherty Geosolutions Limited, Osbit Limited and FoundOcean Limited) represent cornerstones of its strategy to build a range of capabilities.

With Venterra's expertise and resources, management aim to grow these businesses to provide reliable, high-quality services across key markets at scale. In due course, Venterra will make further complementary acquisitions to create a wider range of services across the engineer, build and support phases of the wind power industry.

A review of the progress of the Group's business during the year, principal business risks and likely future developments are contained in the Strategic Report.

Research and development

The Group continued to believe in the importance of investing in innovation and in the development of its products and services, in order to achieve technical success and to improve the project economics for clients. During the year Venterra has continued to invest in several research and development areas.

Proposed dividend

No dividend is to be recommended in respect of 2021.

Going Concern

The directors have prepared the financial statements on a going concern basis which requires the directors to have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Consequently, the directors have reviewed the cash flow projections of the Group taking into account :

- The forecast revenue and operating cash flows from the underlying operations;
- The forecast level of capital expenditure; and
- The overall Group's liquidity position, including cash resources, the remaining committed and uncommitted facilities available to it, its scheduled debt maturities, its forecast financial ratios and its ability to access the equity and debt markets.

As a result of the review, and having made appropriate enquiries of management, the directors have a reasonable expectation that sufficient funds will be available to meet the Group's funding requirements for the twelve months following the date when the Statement of Financial Position was signed.

Directors

The Directors who served during the year and up to the date of signing the financial statements were as follows:

Ayman Asfari (appointed on 19 April 2021)

Robert Jewkes (appointed on 19 April 2021)

Ivan Ronald (appointed 28 May 2021)

Dame Vivienne Cox (appointed 15 June 2021)

Tove Feld (appointed 15 June 2021)

Charles Holliday (appointed 12 January 2022)

Alex Krueger (appointed 18 February 2022)

Duncan Palmer (appointed 1 October 2022)

Richard Milne (appointed 19 April 2021 and resigned 28 September 2021)

The directors benefited from qualifying third part indemnity provisions which were in place during the financial year and at the date of this report. These took the form of Directors and Officers liability insurance.

Employees

The Group is committed to involving employees in the business through appropriate communication and consultation and does so through circulating internal newsletters and periodic briefing meetings.

Applications for employment by disabled persons are always fully considered, having regard to the aptitude and abilities of applicants. If employees become disabled every effort is made to ensure the continuation of their employment with the Group, including the provision of appropriate training.

Employee Engagement Statement

Details of how the Directors have engaged with employees and the principal decisions made can be found in the section 172(1) statement on page 10.

Stakeholder Engagement Statement

Details of how the Directors have engaged with suppliers, customers and other stakeholders and the principal decisions made can be found in the section 172(1) statement from page 10.

Subsequent Events

Subsequent events are disclosed in note 33 Post balance sheet events.

Financial Risks

Details of the financial risk management objectives and policies and exposure to financial risks can be found in the accounting policies and note 31 Financial instruments and related disclosures.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware. Each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

BDO LLP has expressed its willingness to continue in office as the Group's auditor, and accordingly, pursuant to Section 489 of the Companies Act 2006, resolutions to reappoint BDO LLP as auditor for the next financial year and to authorise the Directors to determine its remuneration will be proposed to members at the accounts meeting at which these annual accounts and reports are laid.

By order of the board

A handwritten signature in black ink, appearing to read 'I. Ronald'.

Ivan Ronald

Director

21 December 2022

Directors' statement of responsibilities

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 for reporting period ended 31 December 2021. 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 and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Venterra Group Plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31.12.2021 and of the Group's loss for the 8 month period then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Venterra Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 31.12.2021 which comprise the consolidated statement of profit and loss, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of financial position, the parent company statement of financial position, the consolidated statement of changes in equity, the parent company statement of changes in equity, the consolidated statement of cash flow and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

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

Independence

We remain independent of the Group and the Parent 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

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 period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Parent 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Group's and Parent's activities and considered the laws and regulations of significance in the context of the audit. In doing so, we made inquiries of management and obtained an understanding of Group's and Parent's control environment. The key laws and regulations we considered in this context included the Company law in which the Company operates. For example, our considerations covered UK adopted international accounting standards, Companies Act 2006 and the Bribery Act.
- We made inquiries of management and the Board and reviewed Board and Committee minutes to identify any instances of irregularities or non-compliance with laws and regulations.
- We assessed the susceptibility of the Group's and Parent's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where they consider there was susceptibility to fraud. We made enquiries of management and those charged with governance to understand where it is considered there was a susceptibility of fraud and based on the knowledge gained we performed targeted journals entry testing.
- We agreed the financial statement disclosures to underlying supporting documentation, performed detailed testing on account balances which were considered to be at a greater risk of susceptibility to fraud.
- We also communicated relevant laws and regulations and potential fraud risks to all engagement team members as part of meetings at the planning stage and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Marc Reinecke

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Marc Reinecke (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London

United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

21 December 2022

Consolidated statement of profit and loss for the period ended 31 December 2021

	Notes	2021 £'000
Revenue	6, 7	15,974
Cost of Sales		(8,249)
Gross Profit		7,725
Administrative expenses		(14,287)
Other operating income	8	240
Other operating expenses	8	(500)
Impairment loss on trade receivables and contract assets	19	(122)
Operating loss	9	(6,944)
Result from investment in joint venture		-
Finance income	11	18
Finance expense	11	(77)
Loss before taxation		(7,003)
Taxation	12	688
Loss after taxation for the year		(6,315)

Consolidated statement of profit and loss and other comprehensive income

for the period ended 31 December 2021

	2021 £'000
Loss for the year	(6,315)
Other comprehensive income/(expense) for the year	
Exchange differences on translation to presentation currency	(59)
Total comprehensive income/(expense) for the year	(6,374)

Consolidated statement of financial position as at 31 December 2021

Registered number: 13344064

	Notes	2021 £'000
Non-current assets		
Property, plant and equipment	15	8,964
Right of use assets	16	1,184
Goodwill	14	16,869
Intangible assets	14	21,243
Other financial assets	17	479
Deferred tax assets	12	2,402
Total non-current assets		51,141
Current assets		
Inventories	18	2,968
Trade and other receivables	19	16,129
Income tax receivables		1,785
Other non-financial assets	20	3,171
Cash and cash equivalents	21,24	19,721
Total current assets		43,774
Total assets		94,915
Equity		
Share capital	22	5,695
Share premium account	22	60,472
Share based-payment reserves	22,23	1,819
Retained earnings	22	(6,315)
Foreign exchange reserve	22	(59)
Total equity		61,612
Non-current liabilities		
Borrowings	24	6,285
Provisions	26	3
Deferred tax liabilities	12	5,310
Total non-current liabilities		11,598
Current liabilities		
Borrowings	24	1,591
Trade payables and other financial liabilities	25	17,361
Provisions	26	1,247
Income tax liabilities	12	-
Non financial liabilities	27	1,506
Total current liabilities		21,705
Total liabilities		33,303
Total equity and liabilities		94,915

The financial statements on pages 29 to 72 were approved by the Board on 21 December 2022 and signed on its behalf by



Ivan Ronald

Director

Venterra Group plc

Consolidated statement of changes in equity

for the period ended 31 December 2021

	Share capital £'000	Share premium £'000	Share- based payment reserve £'000	Retained earnings £'000	Foreign exchange reserve £'000	Total £'000
Loss for the year	-	-	-	(6,315)	-	(6,315)
Other comprehensive (expense)/income for the year	-	-	-	-	(59)	(59)
Total comprehensive income for the year	-	-	-	(6,315)	(59)	(6,374)
Shares issued	5,695	60,971	-	-	-	66,666
Transaction costs	-	(499)	-	-	-	(499)
Share-based incentive plans	-	-	1,819	-	-	1,819
At 31 December 2021	5,695	60,472	1,819	(6,315)	(59)	61,612

There are no non-controlling interests.

Consolidated statement of cash flow

for the period ended 31 December 2021

	Notes	2021 £'000
Cash flow from operating activities		
Loss before taxation for the year	30	(7,003)
Cash generated from operations	30	59
Taxation paid	30	(1)
Net cash inflow/(outflow) from operating activities	30	(6,945)
Cash flow from investing activities		
Purchase of property, plant and equipment	15	(312)
Purchase of businesses, net of cash acquired ¹	13	(19,893)
Net cash inflow/(outflow) from investing activities		(20,205)
Cash flow from financing activities		
Proceeds on issue of shares ²	22	50,607
Repayment of borrowings ³	21	(3,702)
Net cash inflow/(outflow) from financing activities		46,905
(Decrease)/increase in cash		19,755
Exchange movements		(34)
Cash and cash equivalents at the end of the year	31	19,721

¹Cash outflow for purchase of business combinations of £25.5m (refer Note 13 Business Combinations) plus cash acquired from businesses amounting to £5.4m.

²Cash inflow from the funding rounds amounting to £51.6m less transaction costs of £0.5m (refer Note 22 Capital and Reserves).

³Includes the repayment of an external bank loan of £3.5m in connection with the acquisition of FoundOcean Limited (refer Note 13 Business Combinations).

Notes to the consolidated financial statements

1. Presentation of the financial statements

Description of business

Venterra Group Plc ('Venterra') is a public company, limited by shares, incorporated, domiciled and registered in England in the UK. The registered number is 13344064 and the registered address is 1-3 Charter Square, Sheffield, United Kingdom, S1 4HS. The company was incorporated on 19 April 2021.

Venterra's mission is to support wind energy developers globally with best-in-class engineering, construction and operations services, through acquiring and partnering with experienced and differentiated providers with an entrepreneurial culture and technological drive. The company has been working on adding a combination of services across the wind farm lifecycle through acquisitions. The first three member companies (namely Gavin and Doherty Geosolutions Limited, Osbit Limited and FoundOcean Limited) represent cornerstones of its strategy to build a range of capabilities.

The three businesses together serve the world's leading offshore wind developers and operators.

With Venterra's expertise and resources, management aim to grow these businesses to provide reliable, high-quality services across key markets at scale. In due course, Venterra will make further complementary acquisitions to create a wider range of services across the engineer, build and support phases of the wind power industry.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group').

The Parent Company financial statements present information about the Company as a separate entity and not about its Group. The Parent Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Basis of preparation

The Group and Company financial statements are prepared on the historical cost basis. The financial statements are presented in GB Pounds.

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and the United Kingdom Adopted International Accounting Standards.

The Group financial statements have been prepared on a going concern basis as the directors consider that the Group has adequate resources to continue operating for a period of not less than 12 months from the date of signing the financial statements. Further disclosures are included in the directors report.

Composition of financial statements

The consolidated financial statements are presented in Sterling, which is the functional currency of the parent company, Venterra Group plc. The financial statements comprise:

- Consolidated statement of profit and loss
- Consolidated statement of profit and loss and other comprehensive income
- Consolidated statement of financial position
- Consolidated statement of changes in equity
- Consolidated statement of cash flow
- Notes to the consolidated financial statements.

All figures are rounded to the nearest thousand. This may result in rounding differences as well as percentage figures presented may not exactly reflect the absolute figures they relate to.

Composition of the Group

A list of the subsidiaries which, in the opinion of the Directors, principally affect the amount of profit or net assets of the Group is given in Note 32 Group information.

Financial period

This is Venterra Group plc's first set of financial statements and cover the financial period from incorporation on 19 April to 31 December 2021. It incorporates the results of acquired companies from their date of acquisition being: GDG (19th July), Osbit (11th September) and FoundOcean (25th October).

Accounting principles and policies

The financial statements have been prepared on a historical cost basis except for the measurement of some financial instruments.

The financial statements have been prepared in accordance with the Group's accounting policies approved by the Board and described in Note 2 Accounting principles and policies.

Critical accounting judgements and key sources of estimation uncertainty explains judgements and estimates made by management in preparing these consolidated financial statements, that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Parent company financial statements

The financial statements of the parent company, Venterra Group plc, have been prepared in accordance with FRS 101. The company balance sheet is presented on page 73 and the accounting policies are given on page 75.

2. Accounting principles and policies

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of 31 December 2021. Subsidiaries are those investees that the Company controls because (i) it has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date on which control ceases.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Group and to the non-controlling interests.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group receivables, liabilities, and results relating to transactions between members of the Group are eliminated in full on consolidation.

In case a change in the ownership interest of a subsidiary results in a loss of control, the net assets and the non-controlling interests have to be derecognised. At this time, the gain or loss is derived from the difference between the sum of proceeds from the divestment, the fair value of any retained interest in the former subsidiary and the divested net assets of the subsidiary. Additionally, any amounts recognised in other comprehensive income in relation to the divested subsidiary are reclassified to profit or loss in case the respective standard on which basis they were initially recognised requires such a recycling. The resulting gains or losses are recognised in the income statement.

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are generally measured at their fair values at the acquisition date.

Goodwill is calculated by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. Any goodwill that arises is tested annually for impairment. Any negative amount from the calculation explained before ("negative goodwill" or "bargain purchase") is recognised in the income statement, after management reassesses whether it has identified all the assets acquired and all liabilities and contingent liabilities assumed and reviews appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred to former owners, including fair value of assets or liabilities from contingent consideration arrangements. The consideration excludes acquisition related costs such as advisory, legal, valuation, and similar professional services. Transaction costs associated with the acquisition are recognised as expenses within general administration costs.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') and is usually the local currency of the countries where an entity operates. The functional currency of the Company as well as the reporting currency of the Group is Sterling.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction or valuation date where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions as well as from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses arising from monetary items that in substance form part of the net investment in a foreign operation are recognised in other comprehensive income within equity in the foreign currency translation reserve. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate on the date of that statement of financial position;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income (foreign currency translation reserve).

Revenue

The Group's activities mainly comprise engineering solutions, design and rendering of construction services in the renewable energy sector. In addition, spare parts are sold.

All the performance obligations (with an exception of the sale of spare parts) are satisfied over time. Revenues are recognised either based on the percentage of costs incurred to date compared to total estimated costs to complete the project or based on invoices if the invoices reflect a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date (see further details in Note 7).

Sale of spare parts represent separate performance obligations. The related revenues are recognized at the point in time when control of the goods passes to the buyer, usually upon delivery of the goods (at a point in time).

Venterra entities may involve subcontracts to deliver some of the services. In such cases, Venterra entities act as principal as they are primarily responsible for fulfilling the promise to provide the specified good or service to customers.

There is no significant variable or financing component that could affect the transaction price agreed in the contracts. The average duration of the Group revenue contracts are 1-3 years, with contracts for onshore wind projects in the lower part of the range and those for offshore wind projects in the upper part of the range. Payment terms for the customer are usually on average 30-60 days from the date of issue of the invoice, always according to the contract terms. The main warranties offered to customers in the contracts are the assurance type warranty for which provisions are recognised.

Cost of sales

Cost of sales includes expenses directly or indirectly attributable to the production process and include procurements, changes in inventories of finished products and work in progress as well as directly attributable labour costs.

Employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits (such as health services) are accrued in the period in which the associated services are rendered by the employees of the Group. The Company recognises a liability and an expense for bonus plans to key management personnel based on a formula and group performance targets when contractually obliged.

Employee share plans

The Group has several types of equity-settled share-based payment arrangements with employees. The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Property, plant and equipment

Property, plant and equipment (PP&E) is stated at the cost of purchase or construction, less provisions for depreciation and impairment. Financing costs are capitalised within the cost of qualifying assets in construction.

Depreciation is calculated to write off the cost less residual value of PP&E using the straight-line basis over the expected useful life. Residual values and lives are reviewed, and where appropriate adjusted annually. The normal expected useful lives of the major categories of PP&E are:

Buildings	40 to 50 years
Plant and machinery	5 to 20 years
Office Equipment and IT	3 to 4 years
Fixtures and Fittings	3 to 5 years

Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The incremental borrowing rate is calculated at the rate of interest at which the Group would have been able to borrow for a similar term and with a similar security the funds necessary to obtain a similar asset in a similar market. The corresponding liability to the lessor is recognised as a lease obligation within short and long-term borrowings.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero

Short-term and low-value leases are not capitalised and are charged to the income statement as incurred

Goodwill

Goodwill arising on the acquisition of subsidiaries is carried at cost less accumulated impairment losses, if any. Goodwill is allocated to the cash-generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the business combination.

The Company tests CGUs to which goodwill has been allocated for impairment at least annually and whenever there are indicators for an impairment. An impairment loss with respect to goodwill is not subsequently reversed.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets (trademarks, customer relationships, technology) acquired in a business combination is their fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Other internal research and development expenditures that do not meet these criteria are recognised as an expense as incurred. Costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the carrying amount may not be recoverable and the intangible asset may therefore be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets is recognised in the consolidated statement of profit or loss, in the expense category that best suits the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss, when the asset is derecognised.

The Group's intangible assets have definite useful lives and primarily include brands, customer relationships and technology.

Intangible assets are amortised using the straight-line method over their useful lives:

Classes of intangible assets	Useful lives in years
Brands	6
Customer relationships	15
Technology	5

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in a joint venture. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which joint control ceases.

Inventories

Inventories comprise raw materials and supplies, work in progress and finished goods. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out allocation method. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

The amount of any write-down of inventories to net realisable value are recognised as an expense within cost of sales in the period the write-down occurs.

The amount of any reversal of any write-down of inventories arising from an increase in net realisable value is recognised as a reduction in cost of sales in the period in which the reversal occurs.

Impairment of non-financial assets.

The Group assesses at each reporting date, whether there is an indication that any non-financial asset may be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is tested for impairment at least annually and whenever there are indicators for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and value in use. For the purposes of impairment testing, assets are grouped together into cash-generating units (CGUs), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill arising from business combinations is allocated to the CGUs that are expected to benefit from the synergies of the business combination.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. To calculate the terminal value of the cash generating units, cash flows have been assumed to grow in perpetuity in line with long term forecasted GDP growth and inflation rates of the region in which the CGU operates. The discount rate is derived as the sum of the cost of capital, small capital risk premium and additional risk premium to account for start-up and CGU specific risk.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

A previously recognised impairment loss for non-financial assets other than goodwill is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A best estimate is made of the amount of the provision taking into account all identifiable risks arising from the obligation. Provisions with a residual term of more than twelve months are discounted.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Government grants

Government grants are recognised when there is reasonable assurance that the entity will comply with the relevant conditions and that the grant will be received.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

A financial asset is recognised when the Group becomes a party to the contractual provisions of the instrument. The Group's financial assets comprise cash and cash equivalents, loans and trade and other receivables and from time to time financial assets at fair value through profit and loss represented by derivative instruments. The Group initially recognises financial assets on the date when they are originated.

At initial recognition, all financial assets are measured at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are included in current assets, except for those which maturities are greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Subsequent measurement

On initial recognition, a financial asset is required to be classified for the purposes of subsequent measurement as a financial asset measured at amortised cost, fair value through OCI (FVOCI) or fair value through profit or loss (FVTPL).

A financial asset is subsequently measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless there are changes in the business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The financial assets in the Group are classified in two categories:

- Financial assets at amortised cost which include cash and cash equivalents, “plain vanilla” trade receivables and other loans and
- Financial assets at fair value through profit and loss which comprise derivative instruments.

Impairment of financial assets

The Group recognises loss allowances for expected credit loss (ECLs) on financial assets measured at amortised cost. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. The Group measures loss allowances at an amount equal to a 12-month ECLs for debt instruments that are determined to have low credit risk at the reporting date.

To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts. The expected loss rates are based on the Group's historical credit losses adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the consolidated statement of profit or loss. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases the previously recognised impairment loss is increased or reduced by adjusting the allowance account, but only up to the amortised costs. If a write-off is later recovered, the recovery is credited to finance costs in the consolidated statement of profit or loss.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

De-recognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred substantially all the risks and rewards of the asset.

Financial liabilities

A financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are measured on initial recognition at fair value net of directly attributable transaction costs.

The Group's financial liabilities include trade and other liabilities, loans and borrowings and deferred considerations incurred in business combinations. All financial liabilities of the Group are classified at initial recognition as other financial liabilities.

If a financial instrument is convertible into ordinary shares of the Group, the Group analyses the terms and conditions of the financial instrument to determine its appropriate classification under IAS 32 *Financial Instruments: Presentation* as equity, a financial liability or as a compound instrument that contains both a liability and an equity component.

Subsequent measurement

All financial liabilities of the Group are subsequently measured at amortised cost using the EIR method, as described below except for the derivative instruments and contingent considerations in business combination when such arise that are measured at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Fees paid to establish loan facilities are deferred and recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade and other payables

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

De-recognition

A financial liability is derecognised when the obligation under the liability is settled, cancelled, or expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis (to realise the assets and settle the liabilities simultaneously).

Share capital

Share capital comprises of ordinary shares. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Income taxes

Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred taxes are recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred taxes are determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are recognised on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability, where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates.

Deferred tax assets are recognised on deductible temporary differences and tax loss carry forwards arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities. The deferred tax assets and liabilities must relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

Research and Development tax credits

The R&D tax credit falls within the scope of investment tax credits ("ITCs") as it relates to specific expenditure on R&D activities. Accounting for ITCs is not addressed directly under IFRS because ITCs are specifically scoped out of IAS 12 Income Taxes (IAS 12.4) and IAS 20 Government Grants (IAS 20.2 (b)). The Group elected to account for its R&D tax credit in accordance with IAS 20.

R&D tax credits are recognised on a systematic basis as the entity recognises an expense for the costs that the grants are intended to incentivise i.e. in the period in which the related expenditure is reflected in profit or loss. To the extent the related expenditure is capitalised the government grant would be deferred on the balance sheet.

Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All fair value measurements of the Group are classified as level 3 at the reporting date.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 23 Share-based payment arrangements
- Note 31 Financial instruments and related disclosures; and

3. Critical accounting judgements and key sources of estimation uncertainty

Management makes estimates and assumptions that affect the amounts recognised in the financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Other disclosures to the Group's exposure to risk and uncertainties are included in the Capital Management and Financial Risk Management sections. Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Judgements

Identification of intangible assets in business combinations – Note 13 Business Combinations.

Assessment of impairment indicators of intangible assets – Note 14 Goodwill and intangible assets.

Estimates

Estimated useful life of intangible asset – Note 14 Goodwill and intangible assets.

Estimation provision for warranty claims and onerous contracts – Note 26 Provisions.

Recognition of revenue over time based on input methods – Note 7 Revenue.

Estimation of fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed – Note 13 Business Combinations.

Estimation of fair values of share-based payments – Note 23 Share-based payment arrangements.

Recognition of deferred tax asset – Note 12 Taxation.

4. New accounting pronouncement

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Group has analysed the contracts existing at 31 December 2021 and determined that if it considered both the incremental costs and an allocation of other direct costs to fulfil the contracts for the purposes of the onerous contracts assessment, as required by the amendments, no additional onerous contract provisions would be recognised.

Other standards

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16).
- Annual Improvements to IFRS Standards 2018–2020.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).

5. Exchange rates

The Group uses the average of exchange rates prevailing during the period to translate the results and cash flows of overseas subsidiaries into Sterling and period end rates to translate the net assets of those entities. The currencies which most influence these translations and the relevant exchange rates were:

	2021
Average rates :	
US\$/£	1.38
Euro/£	1.16
Period end rates :	
US\$/£	1.35
Euro/£	1.19

6. Turnover and segment information

Segment Information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker ("CODM") and for which discrete financial information is available.

The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The functions of the CODM are performed by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Venterra. The CODM assesses the performance of the operating segments based on Revenue, Gross Profit, EBIT, EBITDA and Adjusted EBITDA. Sales between segments are carried out at arm's length.

The amounts provided to the CODM are generally measured in a manner consistent with that of the financial statements.

The Group is organised on the basis of three main reportable business segments represented by the following:

Engineering	Pre-FID and field development (engineering, design, surveys, environmental); through-life PMC services
Build	Specialist services such as marine engineering/mooring, foundation installation, cable lay support
Support	Project management, inspection and monitoring services, operations and maintenance

These segments offer different products and services, and are managed separately because they require different technology and marketing strategies.

The support segment is being developed at the date the financial statements were authorised for issue.

The column 'Other' relate to the corporate function.

Segment information for the reportable segments for the period ended 31 December 2021 is set out below

	Engineering £'000	Build £'000	Total businesses £'000	Other £'000	Consol Adj £'000	Total £'000
External revenue	3,913	12,057	15,970	-	-	15,970
Intersegment revenue	1,896	-	1,896	1,473	(3,365)	4
Total revenue	5,809	12,057	17,866	1,473	(3,365)	15,974
Cost of sales	(2,480)	(9,781)	(12,261)	-	4,012	(8,249)
Gross profit	3,329	2,276	5,605	1,473	647	7,725
Administrative expenses	(3,116)	(6,187)	(9,303)	(4,984)	-	(14,287)
Other income	234	6	240	-	-	240
Other operating expenses	(254)	(941)	(1,195)	(872)	1,567	(500)
Impairment loss	(18)	(104)	(122)	-	-	(122)
Operating Profit/EBIT	175	(4,950)	(4,775)	(4,383)	2,214	(6,944)
Depreciation and amortisation	290	845	1,135	-	-	1,135
Reported EBITDA	465	(4,105)	(3,640)	(4,383)	2,214	(5,809)
Share-based payment	-	1,592	1,592	227	-	1,819
Acquisition costs	-	77	77	3,491	(92)	3,476
Intercompany service charges	186	851	1,037	438	(1,475)	-
Adjusted EBITDA	651	(1,585)	(934)	(227)	647	(514)
Finance income	1	18	19	27	(28)	18
Finance expenses	(8)	(76)	(84)	(19)	26	(77)
Share-based payment	-	(1,592)	(1,592)	(227)	-	(1,819)
Acquisition costs	-	(77)	(77)	(3,491)	92	(3,476)
Intercompany service charges	(186)	(851)	(1,037)	(438)	1,475	-
Depreciation and amortisation	(290)	(845)	(1,135)	-	-	(1,135)
Loss before tax	168	(5,008)	(4,840)	(4,375)	2,212	(7,003)

Geographical information

The UK is regarded as being the Group's country of domicile.

	2021 £'000
Revenue by region	
UK	5,532
Europe	4,096
Rest of World	6,342
Total	15,970

Non-current assets (excluding other financial assets and deferred tax assets) for each region for which it is material are reported separately as follows:

	2021 £'000
Non-current assets by region	
UK	37,341
Europe	10,919
Total	48,260

Major customer

Revenue from one customer of the Group's Build segment represented approximately £3.6m of the Group's total revenues.

7. Revenue

A. Revenue streams

In the following table, revenue from contracts with customers is disaggregated by primary geographical market and service lines. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 6 Turnover and segment information).

For the year ended 31 December	Reportable segments			
	Engineering	Build	Support	Total
	2021 £'000	2021 £'000	2021 £'000	2021 £'000
Primary geographical markets				
UK	1,445	4,087	-	5,532
Europe	2,195	1,901	-	4,096
Rest of world	273	6,069	-	6,342
	3,913	12,057	-	15,970
Revenue from contracts with customers				
External revenue as reported in Note 6	3,913	12,057	-	15,970

The transaction price relating to unsatisfied performance obligations at the reporting date are not disclosed because either the related contracts are less than one year or revenue is recognised based on monthly invoicing.

B. Contract balances

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. Refer Note 19 Trade receivables and other financial assets.

The contract liabilities primarily relate to the advance consideration received from the customers before revenue can be recognised. Refer Note 25 Trade payables and other financial liabilities.

The acquisition of the subsidiaries resulted in an increase in trade receivables of £7,063,000, contract assets of £1,974,000 and contract liabilities of £356,000.

C. Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies. For the accounting policy for onerous contracts, see Note 3 Critical accounting judgements and key sources of estimation uncertainty. All warranties provide assurance that a product will function as expected and in accordance with certain specifications and are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities, and Contingent Assets.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Geotechnical engineering consultancy, providing geotechnical solutions across a broad range of civil engineering sectors (segment: engineering) products	Each project commences on the signing of a contract with a customer and its duration depends on the complexity of design. Each project consist of sub-projects that represent separate performance obligations in accordance with IFRS 15.27 and which run for a period of less than 12 months.	Revenue is recognised over time either based on the input method using labour costs and hours expended as the most relevant measure of progress or based on monthly invoicing as applicable. The related costs are recognised in profit or loss when they are incurred. Advances received are included in contract liabilities.
Design and build engineered systems to support a range of offshore wind operations (segment: build)	Each project commences on the signing of a contract with a customer and its length depends on the complexity of design. Projects last from 4 until 12 months. The tasks defined in the contracts are all integrated in the context of a particular project and represent one performance obligation in accordance with IFRS 15.27. Contracts may include an obligation to deliver spare parts. These are priced and defined separately and are distinct performance obligations.	Revenue is recognised over time for design and build services. Progress is determined based on the cost-to-cost method. Where applicable, liquidated damages are assessed for their likelihood of influencing the transaction price at inception and throughout the contract term. From time-to-time variation orders are agreed with the customers. Since such variations affect the remaining tasks integrated with the other project tasks they are treated as if it were part of the original contract. A cumulative catch-up adjustment is recognised in the period of the change. The related costs are recognised in profit or loss when they are incurred. Advances received are included in contract liabilities. The revenue for delivery of spare parts is recognised at a point in time when the spare parts are delivered to customers.
Offshore construction grouting solutions (segment: build)	Each project commences on the signing of a contract with a customer and its length depends on the complexity of design. Projects last from 3 until 24 months. The tasks defined in the contracts are all integrated in the context of a particular project and represent one performance obligation in accordance with IFRS 15.27.	Revenue is recognised over time based on the output method using issued monthly invoices as a reasonable approximation of value transferred to the customer as allowed by practical expedient by IFRS 15.B16. The related costs are recognised in profit or loss when they are incurred.

8. Other operating income and expenses

	2021 £'000
Grant income - research and development	220
Grant income - employment	14
Other	6
Other operating income	240
Stamp duty tax	(343)
Acquisition costs	(77)
Loss from the disposal of property, plant and equipment	(22)
Other expenses	(58)
Other operating expense	(500)

9. Expenses by nature

	2021 £'000
Employee costs (refer Note 10)	(7,519)
Depreciation of property, plant and equipment (refer Note 15)	(193)
Depreciation of right of use assets (refer Note 16)	(45)
Amortisation of intangible assets (refer Note 14)	(897)
Net foreign exchange gains/(losses) (refer Note 11)	3
Cost of inventories included in cost of sales (refer Note 18)	(24)
Reversal of prior year write down of inventories (refer Note 18)	14
Short term lease charge (refer Note 16)	(14)
Low value lease charge (refer Note 16)	(35)
Fees payable to the company's Auditor (see below)	(1,100)
Fees payable to the company's Auditor	2021 £'000
Audit of parent company and consolidated financial statements	400
Total audit services	400
Audit of the company's subsidiaries	50
Services relating to corporate finance transactions	633
All other services	17
Total non-audit services	700
Total audit related and non-audit services	1,100

10. Employee costs

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services) are accrued in the year in which the employees render the associated services.

	2021 £'000
Wages and salaries	5,158
Social security contributions	542
Share-based payment expenses	1,819
Total	7,519

The cost of share-based payment expenses is analysed as follows (refer Note 24) :

Share plans issued as a result of business combinations	1,592
Growth in value scheme ¹	176
Share option plans	51
Total	1,819

Average monthly number of persons (including Directors) employed by the Group are :

Engineering	50
Build	58
Other	8
Total	116

The compensation of Directors are as follows :

Wages and salaries	161
Social security contributions	120
Share-based payment	176
Total	457

Highest paid director :

Wages and salaries	53
Social security contributions	73
Share-based payment	97
Total	223

¹An amount of £153,845 relates to compensation of key management personnel.

The Group is owed £300,000 by a director relating to shares issued which remains unpaid at the balance sheet date. This is recognised as other receivables (refer Note 17 Other non-current assets).

11. Financial result

	2021 £'000
Interest income	18
Total finance income	18
Interest expense	(54)
Currency translation effects	3
Bank charges	(14)
Finance expense on lease liabilities (refer Note 16)	(12)
Total finance expense	(77)

12. Taxation

Taxation charge based on profits for the year:	
Current taxation	464
Deferred taxation	224
Income tax credit/(expense) for the year	688

	2021
	£'000
Deferred tax assets	2,402
Deferred tax liabilities	5,310

	2021
	£'000
Unrecognised tax losses	
Trading losses expiring :	
Within 10 years	-
More than 10 years	-
Available indefinitely	1,662
At 31 December	1,662
Capital losses expiring :	
Available indefinitely	-
At 31 December	-

	2021	2021
	£'000	%
Reconciliation of taxation on Group's profits		
Loss before tax	(7,003)	
UK statutory rate of taxation	(1,331)	19%
Fixed asset differences	(9)	0%
Difference in foreign tax rate	25	0%
Expenses not deductible	1,217	-17%
Income not taxable	(5)	0%
Effects of R&D tax relief	463	-7%
Remeasurement of deferred tax for changes in tax rates	54	-1%
Deferred tax not recognised	274	-4%
Tax charge/rate	688	-10%

	19-Apr-21	Deferred tax set off Profit or Loss		Total
	£'000	£'000	£'000	£'000
Brands	251	-	(15)	236
Customer relationships	3,612	-	(107)	3,505
Technology	1,671	-	(102)	1,569
Tax loss carry forward	(3,755)	1,353	-	(2,402)
Fixed asset timing differences	1,353	(1,353)	-	-
Net deferred tax asset/liability	3,132	-	(224)	2,908
Recognised deferred tax asset	2,402	-	-	2,402
Recognised deferred tax liability	(5,534)	-	224	(5,310)

13. Business Combinations

Venterra has started to acquire, partner and invest in services businesses across the wind farm lifecycle. During 2021, the Group acquired three businesses, Gavin & Doherty Geosolutions Ltd ('GDG'), Osbit Limited ('Osbit') and FoundOcean Limited ('FoundOcean').

Acquisition of GDG

On 19th July 2021, the Group acquired 100% of the ordinary shares in GDG.

GDG is a specialist offshore engineering and design consultancy, with a particular focus in the offshore wind sector.

GDG has worked on over 35GW of offshore wind farm developments around the world, both as designers and owners' engineers. With a highly technical team of over 100 engineers and scientists, GDG services the international offshore wind market from offices throughout the UK, Ireland and the Netherlands.

GDG brings together state of the art research and direct industry experience and can offer a unique engineering service, delivering the most progressive, reliable, and efficient offshore wind designs to our clients around the world.

For the 4 months ended 31 December 2021, GDG contributed revenue of £5.8m and profit of £0.2m to the Group's results. If the acquisition had occurred on 19 April 2021, management estimates that consolidated revenue would have been £6.6m, and consolidated profit for the year would have been £0.88m. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 19 April 2021.

The provisionally determined fair values of the identifiable assets and liabilities of GDG as of the date of acquisition were:

	Fair value recognised on acquisition £'000
Assets	
Intangible assets	5,692
Property, plant and equipment	505
Trade and other receivables	1,969
Income tax receivables	79
Current non-financial assets	2,009
Cash and cash equivalents	913
Liabilities	
Borrowings	124
Trade payables and other financial liabilities	2,441
Other current non financial liabilities	591
Deferred tax liability	1,423
Total identifiable net assets acquired	6,588
Preliminary goodwill arising on acquisition	6,494
Purchase consideration transferred	13,082

Goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

Fair values of intangible assets, property, plant and equipment, inventories, trade and other receivables and payables are dependent on management's assessment and the interpretation of the underlying contracts and circumstances. The Group will continue to review its assessments and interpretations during the measurement period. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Acquisition of Osbit

On 10th September 2021, the Group acquired 100% of the ordinary shares in Osbit.

Osbit designs, builds, and delivers innovative mission equipment with particular focus in offshore wind. Founded in 2000, Osbit develops bespoke systems for vessel and equipment operators across a broad range of technology streams, including foundation installation, subsea trenching, cable lay, and handling.

To date, Osbit's 100-strong team has directly supported >11GW of offshore wind farms globally, including ground-breaking developments which have improved the safety, efficiency, and cost effectiveness of offshore wind farm construction. The company operates from its head office and assembly facility in Northumberland, UK, as well as an office in Boston, United States.

For the 4 months ended 31 December 2021, Osbit contributed revenue of £9.5m and loss of £3.1m to the Group's results. If the acquisition had occurred on 19 April 2021, management estimates that consolidated revenue would have been £16.1m, and consolidated loss for the year would have been £1m. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 19 April 2021.

The provisionally determined fair values of the identifiable assets and liabilities of Osbit as of the date of acquisition were:

	Fair value recognised on acquisition £'000
Assets	
Intangible assets	14,396
Property, plant and equipment	1,910
Right of use assets	262
Trade and other receivables	2,779
Indemnification asset ¹	381
Income tax receivable	1,239
Current non-financial assets	628
Cash and cash equivalents	4,107
Liabilities	
Borrowings	3,256
Trade payables and other financial liabilities	735
Provisions	3,729
Other current non financial liabilities	305
Deferred tax liability	3,599
Total identifiable net assets acquired	14,078
Preliminary goodwill arising on acquisition	9,752
Purchase consideration transferred	23,830

¹The indemnification asset represents an obligation by the seller to indemnify the buyer on non-performing contracts.

Goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

Fair values of intangible assets, property, plant and equipment, trade and other receivables and payables are dependent on management's assessment and the interpretation of the underlying contracts and circumstances. The Group will continue to review its assessments and interpretations during the measurement period. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Acquisition of FoundOcean

On 25th October 2021, the Group acquired 100% of the ordinary shares in FoundOcean.

FoundOcean is a subsea and offshore grouting specialist for the global energy subsea construction industries. The company's primary area of expertise lies in securing structures to the seabed by foundation grouting, including multiple installations for offshore wind farms. FoundOcean provides numerous life extension and decommissioning solutions for offshore assets – including freespan correction of pipelines and cables, structural strengthening & repair, concrete leg capping, lift point installation, pipe isolation and hydrocarbon displacement.

FoundOcean headquarters and primary offshore service-base and warehouse is in Livingston, Scotland. Its specialist subsea and offshore engineering equipment is located at strategic out-bases for rapid deployment in key energy producing areas of the world.

For the 2 months ended 31 December 2021, FoundOcean contributed revenue of £2.5m and loss of £1.3m to the Group's results. If the acquisition had occurred on 19 April 2021, management estimates that consolidated revenue would have been £10.2m and consolidated profit for the year would have been £1m. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 19 April 2021.

The provisionally determined fair values of the identifiable assets and liabilities of FoundOcean as of the date of acquisition were:

	Fair value recognised on acquisition £'000
Assets	
Intangible assets	2,052
Property, plant and equipment	6,449
Right of use assets	967
Deferred tax asset	2,402
Inventories	2,616
Trade and other receivables	3,869
Income tax receivables	5
Current non-financial assets	188
Cash and cash equivalents	611
Liabilities	
Borrowings ¹	8,202
Trade payables and other financial liabilities	2,241
Other current non financial liabilities	394
Deferred tax liability	513
Total identifiable net assets acquired	7,809
Preliminary goodwill arising on acquisition	623
Purchase consideration transferred	8,432

¹Includes an external bank loan of £3,514,511 repaid post acquisition.

Goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

Fair values of intangible assets, property, plant and equipment, inventories, trade and other receivables and payables are dependent on management's assessment and the interpretation of the underlying contracts and circumstances. The Group will continue to review its assessments and interpretations during the measurement period. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

A. Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred.

	GDG £'000	Osbit £'000	FoundOcean £'000	Total £'000
Cash ¹	6,529	16,566	2,432	25,527
Equity instruments ²	4,063	5,017	6,000	15,080
Deferred Shares (refer Note 25)	2,490	2,247	-	4,737
Total Consideration/Equity Value	13,082	23,830	8,432	45,344

¹Refer to the investing activity section of the consolidated cash flow statement.

²10,053,260 Ordinary Shares

i. Equity instruments issued

The fair value of the ordinary shares issued was based on the share price of the Company at the last funding round at £1.50 per share.

ii. Deferred Shares

Deferred shares will be issued for the fixed value in accordance with the respective signed sale purchase agreements payable at the earlier of IPO or twelve months post acquisition. Number of shares are variable depending on the share price either at the earlier of IPO or twelve months post acquisition. The obligation to issue deferred shares is classified as financial liabilities accounted for at amortised cost.

B. Acquisition-related costs

The Group incurred acquisition-related costs of £3.5m on legal fees and due diligence costs. These costs have been included in 'administrative expenses' and classified as adjusting items for the purposes of Adjusted Ebitda.

C. Identifiable assets acquired and liabilities assumed

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Property, plant and equipment	<i>Market comparison technique and cost technique:</i> The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets - Customer Relationships	Customer relationships were valued using a <i>multi-period excess earnings method</i> : This method estimates revenues and cash flows derived from the intangible asset and then deducts portions of the cash flow that can be attributed to supporting assets, such as a brand name or fixed assets, that contributed to the generation of the cash flows.
Intangible assets - Brands	Brand assets were valued using a <i>relief from royalty approach</i> : This approach estimates the value of the asset based on estimated savings in royalty payments (based on a theoretical royalty rate) that the business expects due to it owning the asset rather than licensing it.
Intangible assets - Technology	The technical-know how was valued using a <i>replacement cost approach</i> . The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.
Inventories	<i>Market comparison technique:</i> The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

14. Goodwill and intangible assets

	Goodwill £'000	Customer relationships £'000	Brands £'000	Technology £'000	Total Intangible Assets £'000
Net book value at 19 April 2021					
Additions through business combinations	16,869	14,448	1,005	6,687	22,140
Amortisation charge	-	(428)	(59)	(410)	(897)
Net book value at 31 December 2021	16,869	14,020	946	6,277	21,243
At 31 December 2021					
Cost	16,869	14,448	1,005	6,687	22,140
Accumulated amortisation	-	(428)	(59)	(410)	(897)
Net book value	16,869	14,020	946	6,277	21,243

No impairment indicators have been identified during the period.

15. Property, Plant and equipment

	Land and buildings £'000	Plant and machinery £'000	Office equipment and IT £'000	Fixtures and Fittings £'000	Total £'000
Cost at 19 April 2021	-	-	-	-	-
Additions through business combinations	2,158	6,391	260	65	8,874
Other additions	-	80	226	6	312
Exchange adjustments	(6)	-	(4)	-	(10)
Disposals and write-offs	-	(12)	(10)	-	(22)
Cost at 31 December 2021	2,152	6,459	472	71	9,154
Depreciation at 19 April 2021	-	-	-	-	-
Exchange adjustments	1	-	2	-	3
Charge for the year	(22)	(93)	(68)	(10)	(193)
Depreciation at 31 December 2021	(21)	(93)	(66)	(10)	(190)
Net book value at 31 December 2021	2,131	6,366	406	61	8,964

16. Leases

Right-of-use assets

	Land and buildings 2021 £'000
Balance at 19 April 2021	-
Additions through business combinations	1,229
Depreciation	(45)
Disposals	-
Impairment	-
Balance at 31 December 2021	1,184

Amounts recognised in profit or loss

	2021 £'000
Interest on lease liabilities	(12)
Expenses relating to short-term leases	(14)
Expenses relating to leases of low-value assets	(35)

Amounts recognised in statement of cash flows

	2021 £'000
Total cash outflow for leases	(14)

Further information on lease liabilities can be found on Note 21 Cash and cash equivalents within the reconciliation of movements of liabilities to cash flows arising from financing activities.

17. Other non-current assets

Other non-current assets represent receivables for issued but not yet paid shares.

18. Inventories

	2021 £'000
Work in progress	805
Finished goods	2,163
Total	2,968

In 2021, inventories of £24,164 were recognised as an expense during the year and included in 'cost of sales'. Reversals of prior year write down of inventories of £14,153 were recognised during the period.

19. Trade receivables and other financial assets

Trade receivables and other financial assets are as follows:

	2021 £'000
Trade receivables, gross	12,201
Allowance for impairment	(122)
Retentions from customers	589
Other receivables	24
Contract assets	3,437
Total	16,129

Movements in the allowance account on trade and other receivables are as follows:

	2021 £'000
Balance at 19 April 2021	-
Additions to provisions for impairment	(122)
Allowance for impairment at 31 December 2021	(122)

The additions to the provision for impaired receivables have been included in 'impairment loss on trade receivables and contract assets' in the income statement. Amounts charged to the allowance account are generally written off against the trade receivables, when there is no expectation of recovery.

20. Current non-financial assets

	2021 £'000
Tax receivables other than income taxes	1,874
Indemnification asset (refer Note 13)	381
Prepayments	916
Total	3,171

Prepayments relate predominantly to insurance premiums and software renewals.

21. Cash and cash equivalents

Cash and cash equivalents are represented by cash of £19.7m at banks. Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Deferred consideration £'000	Bank borrowings £'000	Lease liabilities £'000	Total £'000
Balance at 19 April 2021	-	-	-	-
Changes from financing cash flows	-	-	-	-
Repayment of loans and borrowings	-	(3,688)	-	(3,688)
Payment of lease liabilities	-	-	(14)	(14)
Total changes from financing cash flows	-	(3,688)	(14)	(3,702)
Changes arising from business combinations	4,737	10,388	1,193	16,318
The effect of changes in foreign exchange rates	-	(1)	-	(1)
Other changes	-	-	-	-
Interest expense	-	54	11	65
Interest paid	-	(54)	(11)	(65)
New leases	-	-	-	-
Total liability-related other changes	-	-	-	-
Balance at 31 December 2021	4,737	6,699	1,179	12,615

22. Capital and Reserves

Share capital and share premium

	Ordinary Shares of 10p each		Share premium
	Number	£'000	£'000
At 19 April 2021	-	-	-
Shares issued ¹	46,895,661	4,690	46,896
Issued in business combination	10,053,260	1,005	14,075
Transaction costs ¹	-	-	(499)
At 31 December 2021	56,948,921	5,695	60,472
Authorised share capital - Par value £10p	300,000,000	30,000	-
Number of share options	-	-	273

¹Amounts to a net cash inflow of £50,607,586 as per the financing section of the consolidated cash flow statement. An amount of £479,013 relates to unpaid share capital (refer note 17 Other non-current assets)

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Authorised share capital

On 23 April 2021, at a general meeting of shareholders the Company authorised the issue of 300,000,000 ordinary shares at a price of £0.10 per share.

Issued share capital

During 2021, 56,948,921 ordinary shares were issued at a price ranging between £0.10 to £1.50 per share.

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. In 2022 management extended the Group's share option programme beyond key management and other senior employees. The current employee share purchase programme is detailed in Note 23 Share-based payment arrangements.

The Group monitors its capital structure through the use of 'net debt' to 'adjusted EBITDA'.

Net debt is calculated as total borrowings (as shown in the statement of financial position) less cash and cash equivalents. Adjusted EBITDA is calculated as the EBITDA of the business, excluding exceptional items of a one-off nature including acquisition costs. The group's policy is to keep the ratio of net debt to adjusted EBITDA below 2.5x. The Group's net debt to adjusted EBITDA ratio at 31 December 2021 was nil as the group was in a net cash position.

Nature and purpose of reserves

Share premium

Amount subscribed for share capital in excess of nominal value.

Share-based payment reserves

Represents cumulative share-based payment costs of equity settled share-based payment awards. Refer Note 23 Share-based payment arrangements.

Retained earnings

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

Foreign exchange reserve

Comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

23. Share-based payment arrangements

A. Description of share-based payment arrangements

At 31 December 2021, the Group had the following share-based payment arrangements. All the awards will be settled in equity shares of the Company and therefore are classified as equity settled.

i. *Growth in Value Scheme*

On 31 August 2021, the Board of Directors of Venterra Group approved a Growth in Value Scheme, 'GiVS', for its senior management. The essence of the scheme is to allow participants to share in 15% of the growth in value of Venterra above an 8% hurdle rate. The growth in value will be measured from the date of issuance of the awards until a measurement period of 40 dealing days after the announcement of the results for the year ended 31 December 2025. The value of the awards will be realised by the participants selling the awards to Venterra Group Plc for cash or shares in Venterra plc at the discretion of Venterra Group Plc. The vesting period is four years after the grant date.

ii. *Share-option agreement*

On 5 November 2021, the Group established share option programmes that entitle key management personnel to purchase shares in the Company. Under these programmes, holders of vested options are entitled to purchase shares at the nominal value of £0.10 per share. The options vest in two tranches of one year after the grant date and earlier of two years after the grant date or an IPO event. The total number of options issued was 272,500. All of these options were outstanding at 31 December 2021.

iii. *Awards issued in business combinations*

In connection with the acquisition of Osbit and FoundOcean (see Note 13 Business Combinations), the Group issued equity-settled compensation to former owners on condition of them staying employed with the respective entities until settlement. Therefore, these arrangements do not form part of the purchase price but represent compensation for future services. The agreement defines the amount that will be paid to the former owners which will be settled in a variable number of the Company's shares based on the price of the shares at the settlement date.

B. Measurement of fair values

The fair value of GiV has been measured using a Monte Carlo simulation to determine the fair value of the right to receive a variable number of the shares at the settlement date. The inputs used were as follows. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

Equity volatility	30%, based on the volatility observed historically for comparable companies
Risk free rate	0.27%
Dividend yield	0
Expected life	April 2026

The fair value of the employee share awards has been measured using the Black-Scholes formula. Given that the exercise price is only £0.1 the fair value at the grant date approximates the share price at grant date minus the exercise price and is equal £1.40. Service and non-market performance conditions (EBITDA achieving a certain level) attached to the arrangements were not taken into account in measuring fair value. The effects of changes in these parameters will be taken into account in the expense recognized for these awards.

The fair value of the awards issued in business combinations is determined as the expected settlement amount.

Expense recognised in profit or loss

For details of the related employee benefit expenses, see Note 10 Employee costs.

24. Net Cash

Net cash is defined as cash and cash equivalents after having deducted short-term and long-term borrowings.

	2021 £'000
Current assets :	
Cash and cash equivalents	19,721
Short-term borrowings :	
CBIL Osbit	(600)
CBIL FO	(792)
AIB Loan	(29)
Lease liabilities	(170)
Long-term borrowings :	
CBIL Osbit	(2,350)
CBIL FO	(2,841)
AIB Loan	(86)
Lease liabilities	(1,008)
Net cash	11,845

Borrowings

All borrowings (except for leases) are contractually repayable over the remaining four years in equal installments subject to annual interest rates of 4% on average. The CBIL and AIB loans were repaid in the first half of the 2022 year.

Pledged assets

The company's borrowings with Allied Irish Bank Plc are secured by way of a charge over the premises at Unit 2A, Nutgrove Office Park, Rathfarnham at a carrying amount of £0.3m

25. Trade payables and other financial liabilities

	2021 £'000
Trade payables	5,690
Accruals for outstanding invoices	2,027
Other financial liability - deferred consideration	4,737
Contract liabilities	4,907
Total	17,361

Deferred consideration was part of the purchase price for acquisition of GDG and Osbit (see Note 13 Business Combinations).

26. Provisions

	Provision for warranty £'000	Provision for onerous contracts £'000	Total £'000
At 19 April 2021	-	-	-
Additions through business combinations	220	3,509	3,729
Charge for the year	35	450	485
Reversed unused	(138)	-	(138)
Utilised	-	(2,826)	(2,826)
At 31 December 2021	117	1,133	1,250
To be settled within one year	114	1,133	1,247
To be settled after one year	3	-	3
At 31 December 2021	117	1,133	1,250

Provision for warranties relates mainly to post delivery minor repairs and rectifications on construction projects. The provision has been estimated based on historical warranty data associated with similar products and services.

The onerous contract provision estimated to be the difference between expected benefits and costs was set up for a loss making contract which was completed in the 2022 year.

27. Other non-financial liabilities

	2021 £'000
Liabilities from taxes	572
Liabilities to employees	329
Accrued social security payables	461
Deferred income	144
Total	1,506

28. Contingencies and commitments

	2021 £'000
Contractual obligations and commitments	
Contracted for but not provided in the financial statements :	
Intangible assets	41
Total	41

29. Related party transactions

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control/jointly control the other party or can exercise significant influence over the other party in making financial and operational decisions. Apart from the subsidiaries included in the consolidated financial statements (refer Note 32 Group information), there are no material related party transactions or balances to disclose.

The aggregate compensation of the Directors is given in Note 10 Employee costs.

30. Adjustments reconciling profit before tax to operating cash flows

	2021 £'000
Loss before tax	(7,003)
Depreciation and amortisation	1,135
Other non-cash expenses/income ¹	1,829
Changes in working capital :	
- Decrease in inventories	(349)
- Decrease in trade receivables and other assets	(7,459)
- Decrease in trade payables and other liabilities	7,382
Changes in provisions	(2,479)
Income taxes paid	(1)
Total	(6,945)

¹Amounts to share-based payment expense of £1,819,000 and unrealized foreign currency losses of £10,000.

31. Financial instruments and related disclosures

Fair values

The table below shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value where the carrying amount is a reasonable approximation of fair value by nature. All fair values are classified as Level 3.

In GBP'000	Note	Carrying amount	Fair value	Measurement Category
Current financial assets				
Trade and other receivables	19	16,129	n/a	Amortised cost
Cash and cash equivalents	21, 24	19,721	n/a	Amortised cost
Total current financial assets		35,850	n/a	
Non-current financial assets				
Other non-current financial assets	17	479	479	Amortised cost
Total non-current financial assets		479	479	
Current financial liabilities				
Trade payables and other financial liabilities	25	17,361	n/a	Amortised cost
Bank borrowings	24	1,421	1,421	Amortised cost
Total current financial liabilities		18,782	1,421	
Non-current financial liabilities				
Bank borrowings	24	5,277	5,277	Amortised cost
Total non-current financial liabilities		5,277	5,277	

Determination of fair values

The fair value of all financial instruments at the reporting date does not differ materially from the fair value of these instruments at initial recognition because no material changes have occurred that could significantly affect the fair value measurement since then.

Financial risk management

The Group is exposed to the following risks from the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Principles of risk management

The Executive Board of the Company is responsible for establishing and monitoring the Group's risk management process.

The Executive Committee team is responsible for conducting quarterly risk reviews and assessing the level of each identified risk, determining if further risk reducing measures are required should a risk level be higher than desired. The results of such reviews are routinely reported to the Board of Directors.

Operating entities are responsible for assessing and communicating risks associated with their own operations, reporting into the Executive Committee as a minimum on a six-monthly basis or sooner should a specific risk escalate.

The Group's risk management policies have been developed to identify and analyse the Group's risks, to implement appropriate risk limits and controls, and to monitor the development of risks and compliance with limits. The risk management register is regularly reviewed to address changes in market conditions and the Group's activities.

The existing training and management standards and related processes are designed to ensure a target-oriented control environment in which all employees understand their respective roles and responsibilities.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk of the Group arises principally from trade and other receivables including contract assets.

The carrying amounts of trade and other receivables correspond to the maximum default risk. The carrying amount of the receivable from the Group's most significant customer amounts to £2.8m at 31 December 2021.

The Group primarily deals with corporate customers. The Group limits its default risk on trade receivables and contract assets by requiring milestone payments on its projects when they fall due in accordance with contract. The Group does not require collateral for trade and other receivables. Impairment losses on financial assets and contract assets were estimated using a 1% expected loss rate at 31 December 2021 which was estimated to reflect historical experience and current circumstances. On other types of receivables any expected impairment losses are immaterial.

Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations as they fall due by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure that, as far as possible, sufficient cash and cash equivalents are always available to meet payment obligations when they fall due under both normal and stressed conditions without incurring unacceptable losses or damage to the Group's reputation.

The Group aims to maintain cash and cash equivalents and other highly negotiable debt instruments at levels above the expected cash outflows from financial liabilities.

The table below sets out the timing of the contractual cash flows of liabilities:

	< 1 year £'000	1-2 years £'000	2-5 years £'000	More than 5 years £'000	Total £'000	Carrying amount £'000
Liabilities						
Borrowings	1,687	1,628	4,084	-	7,399	6,698
Trade payables and other financial liabilities	4,737	-	-	-	4,737	4,737
Lease liabilities	220	220	490	473	1,403	1,178
Total future payments	6,644	1,848	4,574	473	13,539	12,613

Subsequent to the reporting date, all bank facilities of the Group have been fully repaid (refer Note 24 Net Cash).

Market Risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The only material market risk that the Group was exposed during the reporting period was transactional foreign currency risk to the extent that there was a mismatch between the currencies in which sales, purchases and receivables were denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily GBP and Euro and US dollars. The currencies in which these transactions are primarily denominated are GBP, Euro and US dollars.

The Group uses foreign currency derivatives from time to time to manage foreign currency risks. However, there are no derivatives outstanding at the reporting date.

The Group's exposure to currency risk is as follows:

	GBP £'000	EUR £'000	USD £'000	PLN £'000	CAD £'000	SGD £'000
Trade and other receivables	6,467	2,264	567	11	47	-
Cash and cash equivalents	792	1,947	1,032	-	-	-
Trade and other payables	(2,148)	(1,656)	(1,163)	-	-	(105)
Net financial position exposure	5,111	2,555	436	11	47	(105)

Exchange rates applied can be found in Note 5 Exchange rates.

A 10% strengthening (weakening) of the euro, US dollar or GBP against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by £0.8m.

32. Group information

UK	Country ¹	%	US	Country ¹	%
Venterra Group Plc ²	England	100	FoundOcean Inc. ⁹	USA	100
Venterra Limited ²	England	100			
Gavin and Doherty Geosolutions UK Limited ³	England	100			
Osbit Limited ⁴	England	100			
FoundOcean Holdings Limited ⁵	England	100			
FoundOcean Limited ⁶	Scotland	100			
FoundOcean Plant Ltd ⁵	England	100			
Europe		%	Others		%
Gavin and Doherty Geosolutions Limited ⁷	Ireland	100	Ambico FoundOcean Grouting Services Pte Ltd ¹⁰	India	49
FoundOcean B.V ⁸	Netherlands	100			

¹Represents country of incorporation

Registered office address

²1-3 Charter Square, Sheffield, South Yorkshire, S1 4HS, United Kingdom

³85 Great Portland Street, First Floor, London, W1W 7LT, United Kingdom

⁴Broomhaugh House, Broomhaugh, Riding Mill, Northumberland, NE44 6AW, United Kingdom

⁵Jubilee House, Third Avenue, Marlow, Buckinghamshire, SL7 1EY, United Kingdom

⁶Units 3&4, Telford Square Business Park, Telford Square, Livingston, EH54 5PQ, Scotland, United Kingdom

⁷Unit 2A, Nutgrove Office Park, Rathfarnham, Dublin 14, Ireland

⁸Romhof 5, 9411SB Beilen, Netherlands

⁹350 N. St. Paul Street, Suite 2900, Dallas TX 75201-4234, United States

¹⁰701-702, Shree Sai Corporate Park, Opp. Laxmi Nagar Industrial Estate, Goregaon Link Road, Goregaon (W), Mumbai, Mumbai City, MH 400090, India

The ultimate parent entity and controlling party is Venterra Group plc. The shareholders of Venterra Group plc all hold ordinary shares. There is no controlling party of Venterra Group plc.

Venterra Group plc is the parent of Venterra Limited. With the exception of FoundOcean Limited whose parent is FoundOcean Holdings Limited, all subsidiaries are directly owned by Venterra Limited.

Gavin and Doherty Geosolutions UK Limited and FoundOcean Holdings Limited is exempt from the requirements of CA2006 relating to the audit of individual accounts by virtue of section 479A of the Act.

33. Post balance sheet events

Financing

On 18 February 2022, the Group raised £40.0 million of capital from First Reserve and other investors at an issue price of £3.00 per share.

Acquisitions

Subsequent to the year end, the Group completed the following four acquisitions :

Ordtek Limited

On 1 March 2022, the Group acquired 100% of the ordinary shares of Ordtek Limited for a total consideration of £8.5m. Under the terms of the agreement, the consideration was satisfied via cash, shares and deferred shares to be granted at the point of an IPO. Ordtek employs a blend of risk management and geoscience techniques to assess and mitigate the risks posed to development. The Group is currently assessing the fair values of the assets acquired and liabilities assumed at closing and the initial accounting for the business combination is incomplete at the date of these consolidated financial statements.

Partrac Limited

On 1 June 2022, the Group acquired 100% of the ordinary shares of Partrac Limited for a total consideration of £9.8m. Under the terms of the agreement, the consideration was satisfied via cash, shares and include an element of contingent consideration dependent on the entity's EBITDA achievement for financial year 2022. Partrac is a metocean and seabed consultancy, servicing clients in the offshore wind, ports and marine construction sectors. The Group is currently assessing the fair values of the assets acquired and liabilities assumed at closing and the initial accounting for the business combination is incomplete at the date of these consolidated financial statements.

Balltec Limited

On 16 June 2022, the Group acquired 100% of the ordinary shares of Balltec Limited for a total consideration of £5.3m. Under the terms of the agreement, the consideration was satisfied via cash, shares and include an element of contingent consideration dependent on the entity's EBITDA achievement for financial year 2022. Balltec is a manufacturer of high integrity mechanical connectors for critical applications in the global oil, gas and renewable energy sectors. The Group is currently assessing the fair values of the assets acquired and liabilities assumed at closing and the initial accounting for the business combination is incomplete at the date of these consolidated financial statements.

Inspire Environmental Inc.

Inspire Environmental LLC was acquired on 14 July 2022. The transaction was structured as a statutory merger of Inspire into a wholly-owned subsidiary of Venterra pursuant to a reorganization described under IRC Section 368(a)(2)(D). Under the terms of the agreement, the total consideration was £7.1m satisfied via cash, shares and and include an element of contingent consideration dependent on the entity's EBITDA achievement for financial year 2022. Inspire is a team of marine environmental scientists and analysts located in Newport, Rhode Island that specialize in inspecting, interpreting and contextualizing the sea floor health. The Company uses field equipment to perform Sediment Profile Imaging (SPI), Plan View Imaging (PVI) and other services. SPI and PVI create a sampling strategy to aid in identifying sedimentary conditions to support offshore energy development, benthic habitat mapping, dredged material disposal monitoring, fish processing and sediment contamination issues. The Group is currently assessing the fair values of the assets acquired and liabilities assumed at closing and the initial accounting for the business combination is incomplete at the date of these consolidated financial statements.

Company balance sheet – UK GAAP

(including FRS 101 'Reduced Disclosure Framework) as at 31 December 2021

Registered number: 13344064

	Notes	2021 £'000
Non-current assets		
Investments	37	50,524
Other financial assets		479
Total non-current assets		51,003
Current assets		
Trade and other receivables	38	6,074
Other non-financial assets		112
Cash and cash equivalents		15,215
Total assets		72,404
Equity		
Share capital	39	5,695
Share premium account	39	60,472
Share based-payment reserves		1,819
Retained earnings		(487)
Total equity		67,499
Current liabilities		
Trade payables and other financial liabilities	40	4,894
Non financial liabilities	41	11
Total current liabilities		4,905
Total liabilities		4,905
Total equity and liabilities		72,404

The loss of the Company for the year as at 31 December 2021 attributable to shareholders was £0.5 million. As permitted by section 408 of the Companies Act 2006, the income statement of the company is not presented in this Annual Report.

The financial statements on pages 73 to 78 were approved by the Board on 21 December 2022 and signed on its behalf by



Ivan Ronald

Director

Venterra Group plc

Company statement of changes in equity

for the period ended 31 December 2021

	Share capital £'000	Share premium £'000	Share- based payment reserve £'000	Retained earnings £'000	Total £'000
Loss for the year	-	-	-	(487)	(487)
Shares issued	5,695	60,971	-	-	66,666
Transaction costs	-	(499)	-	-	(499)
Share-based incentive plans	-	-	1,819	-	1,819
At 31 December 2021	5,695	60,472	1,819	(487)	67,499

Notes to the company balance sheet – UK GAAP

(including FRS 101 'Reduced Disclosure Framework')

34. Presentation of the financial statements

Description of business

Venterra Group Plc is the parent company of Venterra whose mission is to support wind energy developers globally with best-in-class engineering, construction and operations services, through acquiring and partnering with experienced and differentiated providers with an entrepreneurial culture and technological drive.

The Company is a private holding company limited by shares and is incorporated, registered and domiciled in the UK. Its registered office is 1-3 Charter Square, Sheffield, United Kingdom, S1 4HS.

Preparation of financial statements

The financial statements, which are prepared using the historical cost convention (as modified to include the revaluation of certain financial instruments) and on a going concern basis, are prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and with UK accounting presentation and the Companies Act 2006 as at 31 December 2021.

As permitted by section 408 of the Companies Act 2006, the income statement of the company is not presented in this Annual Report.

The company is included in the Group financial statements of Venterra Group plc, which are publicly available.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment'
- IFRS 7, 'Financial Instruments – Disclosures'
- Paragraphs 91-99 of IFRS 13, 'Fair value measurement'
- Paragraphs 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a) (iv) of IAS 1
- Paragraphs 10(d), 10(f), 16, 38(A), 38(B to D), 40(A to D), 111 and 134 to 136 of IAS 1, 'Presentation of financial statements'
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors'
- Paragraph 17 of IAS 24, 'Related party disclosures' and the further requirement in IAS 24 to disclose related party transactions entered into between two or more members of a Group.

Accounting convention and standards

The balance sheet has been prepared using the historical cost convention and complies with applicable UK accounting standards.

Accounting principles and policies

The preparation of the balance sheet in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet. Actual amounts could differ from those estimates.

The balance sheet has been prepared in accordance with the company's accounting policies approved by the Board and described in Note 35. These policies have been consistently applied, unless otherwise stated.

Key accounting judgements and estimates

In applying the Company's accounting policies, the Directors have made an estimation of fair values for share-based payments. Refer to Note 23 Share-based payment arrangements.

35. Accounting policies

Revenue

Revenue represents recharges of corporate expenses and is recognised based on monthly invoicing.

Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate ruling on the date of transaction. Foreign currency assets and liabilities are translated at rates of exchange ruling at the balance sheet date.

Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

Share-based payments

The Group has several types of equity-settled share-based payment arrangements with employees. The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Taxation

Current tax is provided at the amounts expected to be paid applying tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are only recognised to the extent that they are considered recoverable against future taxable profits.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to be realised or settled. Deferred tax liabilities and assets are not discounted.

Investment in subsidiary companies

Investments in subsidiary companies are held at cost less any provision for impairment.

Cash

Cash and cash equivalents are represented by cash deposited at a bank.

Financial liability

A financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are measured on initial recognition at fair value net of directly attributable transaction costs.

The Group's financial liabilities include trade and other liabilities, loans and borrowings and deferred considerations incurred in business combinations. All financial liabilities of the Group are classified at initial recognition as other financial liabilities.

If a financial instrument is convertible into ordinary shares of the Group, the Group analyses the terms and conditions of the financial instrument to determine its appropriate classification under IAS 32 Financial Instruments: Presentation as equity, a financial liability or as a compound instrument that contains both a liability and an equity component.

Share capital

Share capital comprises of ordinary shares. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

36. Operating Profit

A fee of £12,000 relating to the audit on the company has been charged in operating profit.

37. Investments

	2021 £'000
Investments in Venterra Limited	50,524
Total	50,524

For details of subsidiaries refer to Note 32 Group information.

38. Trade receivables and other financial assets

Trade receivables and other financial assets are as follows:

	2021 £'000
Intercompany receivables	6,066
Other receivables	8
Total	6,074

39. Equity

	Ordinary Shares of 10p each		Share premium
	Number	£'000	£'000
Shares issued	46,895,661	4,690	46,896
Issued in business combination	10,053,260	1,005	14,075
Transaction costs	-	-	(499)
At 31 December 2021	56,948,921	5,695	60,472
Authorised share capital - Par value £10p	300,000,000	30,000	-
Number of share options	-	-	273

40. Trade payables and other financial liabilities

	2021 £'000
Accruals for outstanding invoices	154
Intercompany creditors payable	4
Financial liability - deferred consideration	4,737
Total	4,895

41. Other non-financial liabilities

	2021 £'000
Liabilities to employees	11
Total	11