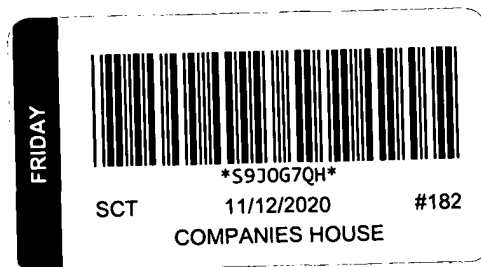


Registered number
SC177881

The Natural Power Consultants Limited

Annual Report and Financial Statements
for the year ended
25 December 2019



The Natural Power Consultants Limited

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The Natural Power Consultants Limited

Strategic Report

Principal activity

The principal activity of the company is the provision of consultancy services to the renewable energy industry primarily in the areas of planning, site design, energy assessment, ecology, hydrology, construction management and due diligence activities.

Business review

The renewable energy business provides a range of services principally for windfarms both onshore and offshore but additionally for solar, renewable heat and (renewable energy) associated infrastructure. The company's key financial performance indicators during the year were as follows:

	2019	2018	Change
	£'000	£'000	
Turnover	14,346	14,498	-1.05%
Operating profit/(loss)	680	391	73.9%
Operating profit before other operating income, depreciation, interest, tax and amortisation	674	724	-6.9%

This reduction in revenue is primarily as a result of the government's decision for an early closure of the Renewable Obligation subsidy system that has seen a reduction in new wind farm builds. Successful diversification plans have limited the impact from government policy and a subsidy free market. Operational cost savings have mitigated the small drop in turnover and improved the trading performance of the company.

Principal risks and uncertainties

The principal aim of the company is to maximise long term results whilst minimising risks. This is alongside the company's mission to create a better environment with the vision of providing market leading advice to our clients.

The directors consider the following to be the major risks affecting the company:

- Health and safety
- Exchange rate risk
- Uncertain energy policy in the UK and other key markets
- Economic and regulatory conditions
- Recruitment and retention of key personnel

The directors believe that Brexit will have an impact in relation to the exchange rate risk but have not particularly identified any other significant risks associated with it apart from possible skills shortages and general uncertainty in the market resulting in a lack of investment in the UK affecting the energy market.

The directors believe that the COVID-19 pandemic will have an impact on the economic and regulatory conditions in the markets which the company operates. In particular, lower energy prices may impact the timeline for completion of existing client projects, and the commencement of new projects. The initial stages of the coronavirus crisis, however have not impacted the trading of the company significantly. Some projects have experienced short-term delays due to site closures and travel bans. A small number of employees were furloughed in response to this. Special focus has been put on maintaining the working capital of the business, with cash collection and operational expenditure being closely monitored.

The directors also believe that the COVID-19 pandemic will have a significant health and safety risk. The company values the talents of the skilled workforce and has moved to protect all employees by implementing a work from home policy in line with government guidance, with adjustments made to work procedures to allow business to continue as usual. The company continues to provide support to all employees in terms of continued well-being, work-life balance and mental health.

Price risk, credit risk and cash flow risk also have some impact on the company. The directors identify and monitor risk on an ongoing basis to establish systems and processes to manage and mitigate those risks.

This report was approved by the board on 23 November 2020 and signed on its behalf.



N A Emery
Director

The Natural Power Consultants Limited
Registered number: SC177881
Directors' Report

The directors present their report and financial statements for the year ended 25 December 2019.

Proposed dividends

The directors do not recommend the payment of a dividend (2018: £nil).

Directors

The following persons served as directors during the year:

D J Bone
N A Emery
T P O Jebsen
E M Leeming
B R Mindell
J B Sainsbury
S D Trotter

Political donations

The company made no political donations or incurred any political expenditure during the current or prior year.

Disclosure of information to auditors

Each person who was a director at the time this report was approved, confirms that:

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

Third party indemnity provisions

The directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Auditor

In accordance with Section 487 of the Companies Act 2006 the auditor, KPMG LLP will be deemed to be reappointed and therefore continue in office.

This report was approved by the board on 23 November 2020 and signed on its behalf.



N A Emery
Director

The Green House,
St John's Town of Dalry
Castle Douglas
DG7 3XS

The Natural Power Consultants Limited
Statement of Directors' Responsibilities in respect of the Strategic Report,
the Directors' Report and the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Independent Auditor's Report
to the members of The Natural Power Consultants Limited**

Opinion

We have audited the financial statements of The Natural Power Consultants Limited (the company) for the year ended 25 December 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 25 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

**Independent Auditor's Report
to the members of The Natural Power Consultants Limited**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



Stephanie Beavis
(Senior Statutory Auditor)
for and on behalf of
KPMG LLP, Statutory Auditor
Chartered Accountants
2 December 2020

Dragonfly House
2 Gilders Way
Norwich

NR3 1UB

The Natural Power Consultants Limited
Profit and Loss Account and Other Comprehensive Income
for the year ended 25 December 2019

	<i>Notes</i>	2019 £000	2018 £000
Turnover	2	14,346	14,498
Other operating income	3	303	67
Staff costs	6	(10,187)	(9,779)
Depreciation and amortisation		(297)	(400)
Other operating charges		(3,485)	(3,995)
Operating profit	4	<u>680</u>	<u>391</u>
Interest receivable and similar income		52	49
Interest payable and similar charges	7	(1)	(3)
Profit on ordinary activities before taxation		<u>731</u>	<u>437</u>
Tax on profit on ordinary activities	8	(55)	(88)
Profit for the financial year		<u><u>676</u></u>	<u><u>349</u></u>

The notes on pages 10 to 22 form part of these financial statements.

There was no other comprehensive income for the 2019 or 2018 financial years and therefore no separate statement of other comprehensive income has been presented.

All activities relate to continuing operations in the current and prior year.

The Natural Power Consultants Limited
Balance Sheet
as at 25 December 2019

	<i>Notes</i>	2019		2018	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	9		775		335
Tangible assets	10		456		474
Investments	11		<u>2,394</u>		<u>2,531</u>
			3,625		3,340
Current assets					
Debtors	12	6,459		6,361	
Cash at bank and in hand		<u>1,010</u>		<u>1,064</u>	
		7,469		7,425	
Creditors: amounts falling due within one year	13	(3,549)		(3,728)	
Net current assets			<u>3,920</u>		<u>3,697</u>
Total assets less current liabilities			<u>7,545</u>		<u>7,037</u>
Creditors: amounts falling due after more than one year	14	(59)		(227)	
Net assets			<u>7,486</u>		<u>6,810</u>
Capital and reserves					
Called up share capital	16	500		500	
Profit and loss account	17	6,986		6,310	
Shareholders funds			<u>7,486</u>		<u>6,810</u>

The notes on pages 10 to 22 form part of these financial statements.

These financial statements were approved by the board of directors on 23 November 2020 and were signed on its behalf by:



B R Mindell
Director



N A Emery
Director

Registered Number: SC177881

The Natural Power Consultants Limited
Statement of Changes in Equity
for the year ended 25 December 2019

	Share capital	Profit and loss account	Total
	£000	£000	£000
Balance at 26 December 2017	500	5,961	6,461
Total comprehensive income for the financial year			
Profit for the financial year	-	349	349
Balance at 25 December 2018	<u>500</u>	<u>6,310</u>	<u>6,810</u>
Balance at 26 December 2018	500	6,310	6,810
Total comprehensive income for the financial year			
Profit for the financial year	-	676	676
Balance at 25 December 2019	<u>500</u>	<u>6,986</u>	<u>7,486</u>

The notes on pages 10 to 22 form part of these financial statements.

The Natural Power Consultants Limited
Notes to the Accounts
for the year ended 25 December 2019

1 Summary of significant accounting policies

The Natural Power Consultants Limited is a company limited by shares and incorporated and domiciled in the UK.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The company is exempt by virtue of S.401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's ultimate parent undertaking, Fred. Dessen & Co. Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Fred. Dessen & Co. Limited are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Fred. Dessen & Co. Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.

Going concern

The financial statements have been prepared on a going concern basis, which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

The directors in their assessment considered the following factors and key assumptions in their downside analysis:

The company was able to continue trading during the lockdown with limited impact on operational performance. As a result, revenue for the year ending 31/12/2020 is forecast to be in line with or slightly better than 2019. The assumption therefore is that this would continue in any future lockdown period as well (noting that the downside analysis assumes a further period of lockdown similar to the first in the period to March 2021). As such, the downside forecast is in line with actual experience during 2020 and includes no growth.

Should there be a need to improve liquidity, mitigating actions that could be taken by the directors include delaying non-essential capital expenditure and other cost reduction measures which are in the directors control, but which are not included in the downside forecast.

The Natural Power Consultants Limited
Notes to the Accounts
for the year ended 25 December 2019

The company is a member of a group overdraft facility of £3.5m which is subject to cross-guarantees by the entities in the group headed by the company's ultimate parent undertaking, Fred Dessen & Co Limited (together the "Fred Dessen Group"). Therefore, the directors have considered the future viability of the Fred Dessen Group as part of their going concern consideration.

The Fred Dessen Group has prepared cashflow forecasts for a 14 month period to 31 December 2021 which the Directors have reviewed. These forecast indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Fred Dessen Group will have sufficient funds to meet its liabilities as they fall due for that period. The key assumptions included in those forecasts are:

- The assumptions described above for these renewable businesses.
- In relation to the Travel business, the downside forecasts assume no revenues and a reduced cost base including the associated restructuring costs required to align the cost base of this business with the expectation that it will not generate revenues;
- For the business relating to hardware sales the downside forecast assumes a 20% reduction in revenues with a similar reduction in variable costs but no reduction in the fixed cost base.
- For the other group businesses the trading will continue in line with that experienced during the first period of lockdown without adjustment to the cost base.
- The group has benefited from the UK governments Coronavirus Job Retention Scheme during the year however, the forecasts assume that no further benefits from government assistance.

The Fred Dessen Group as at 31st October 2020 was holding in excess of £16m in cash reserves and had less than £0.5m of external debt on asset finance facilities. The group also has an overdraft facility of £3.5m and an RCF facility of £5m both of which have remained undrawn since the year end up to the date of approval of these financial statements. Should there be a need to improve liquidity across the group, mitigating actions that could be taken by the Directors include delaying non-essential capital expenditure and other costs reduction measures which are in the Directors control, but which are not included in the downsides forecast.

The Directors have therefore concluded that the Fred Dessen Group will be able to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements and as a result the company will not be required to make payments even in downside scenarios in relation to the guarantee of the Group overdraft facility.

Consequently, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

The Natural Power Consultants Limited
Notes to the Accounts
for the year ended 25 December 2019

Basic financial instruments

Trade and other debtors / creditors:

Trade and other debtors are recognised at transaction price less attributable transaction costs. Trade and other creditors are recognised at transaction price plus attributable transaction costs.

Interest-bearing borrowings classified as basic financial instruments:

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in ordinary shares:

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Cash and cash equivalents:

Cash and cash equivalents comprise cash balances and call deposits.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful life of goodwill is 5 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	over the lease term
Plant and machinery	over 3-5 years
Fixtures, fittings, tools and equipment	over 3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Government grants

Government grants are included within other creditors in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate, or in periods in which the related costs are incurred.

The Natural Power Consultants Limited
Notes to the Accounts
for the year ended 25 December 2019

Impairment of Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment of Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Accrued Income

Accrued income relates to contract revenue not yet invoiced in accordance with the company's revenue recognition policy

Deferred Income

Deferred income relates to invoices issued but not yet recognised as contract revenue in accordance with the company's revenue recognition policy

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on finance leases recognised in profit or loss using the effective interest method.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

The Natural Power Consultants Limited
Notes to the Accounts
for the year ended 25 December 2019

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments.

Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life.

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which services are rendered by employees.

The Natural Power Consultants Limited
Notes to the Accounts
for the year ended 25 December 2019

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities, as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following items are the key judgements that have had the most significant effect on amounts recognised in the financial statements.

Revenue and profit recognition on long term contracts

Revenue and profit in relation to long term contracts is recognised by reference to the stage of completion of the contract. Forecasts have to be made on the projected outcomes of these projects which require assessments and judgements to be made. For example, on changes in work scopes, changes in costs and costs to completion. While the assumptions made are based on professional judgements, subsequent events may mean that estimates calculated prove to be inaccurate, with a consequent effect on the reported results.

Impairment in investments

At the end of each reporting period, the company reviews the carrying amounts of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss.

2 Analysis of turnover	2019	2018
	£000	£000
Services rendered	14,346	14,498
By geographical market:		
UK	12,563	12,891
Europe	1,539	1,339
North America	90	93
Rest of world	154	175
	<u>14,346</u>	<u>14,498</u>
 3 Other operating income	 2019	 2018
	£000	£000
RDEC claim	303	-
Government grants	<u>-</u>	<u>67</u>
 4 Expenses and auditor remuneration	 2019	 2018
	£000	£000
Included in profit are the following:		
Depreciation of owned fixed assets	297	400
Operating lease rentals - plant and machinery	125	132
Operating lease rentals - land and buildings	<u>261</u>	<u>297</u>
Auditor's Remuneration:	2019	2018
	£000	£000
Audit of these financial statements	17	12
Tax compliance services	<u>4</u>	<u>4</u>

The Natural Power Consultants Limited
Notes to the Accounts
for the year ended 25 December 2019

5 Directors' remuneration	2019	2018
	£000	£000
Remuneration	358	297
Company contributions to defined contribution pension plans	24	25
	<u>382</u>	<u>322</u>
Highest paid director:		
Remuneration	<u>223</u>	<u>164</u>
 Number of directors to whom retirement benefits accrued:	 2019	 2018
	Number	Number
Defined contribution plans	<u>1</u>	<u>1</u>
 6 Staff costs	 2019	 2018
	£000	£000
Wages and salaries	8,894	8,549
Social security costs	900	854
Other pension costs	393	376
	<u>10,187</u>	<u>9,779</u>
 Average number of employees during the year	 Number	 Number
Administration	44	41
Operational	169	154
Management	10	9
	<u>223</u>	<u>204</u>
 7 Interest payable	 2019	 2018
	£000	£000
Other loans	<u>1</u>	<u>3</u>

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8 Taxation	2019	2018
	£000	£000
Analysis of charge/(credit) in period		
Current tax:		
UK corporation tax on profits of the period	91	68
Adjustments in respect of previous periods	31	28
	<u>122</u>	<u>96</u>
Deferred tax:		
Origination and reversal of timing differences	53	18
Adjustments in respect of previous periods	(60)	(26)
Effect of increased tax rate on opening liability	(60)	-
	<u>(67)</u>	<u>(8)</u>
 Tax on profit on ordinary activities	 <u>55</u>	 <u>88</u>

Factors affecting tax charge/(credit) for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2019	2018
	£000	£000
Profit on ordinary activities before tax	<u>731</u>	<u>437</u>
Standard rate of corporation tax in the UK	19.00%	19.00%
	£000	£000
Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax	139	83
Effects of:		
Difference in tax rate on deferred tax balances	(60)	(2)
Expenses not deductible for tax purposes	5	5
Adjustments to tax charge in respect of previous periods	(29)	2
 Total tax charge for the period	 <u>55</u>	 <u>88</u>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantially enacted on 6 September 2016. At Budget 2020, the UK government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. This will affect the company's future current tax charge accordingly. The deferred tax asset at 25 December 2019 has been calculated based on a corporation tax rate of 19%.

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9 Intangible fixed assets

	Goodwill £000	Other £000	Total £000
Cost			
At 26 December 2018	115	1,315	1,430
Additions	-	525	525
Disposals	-	(48)	(48)
At 25 December 2019	<u>115</u>	<u>1,792</u>	<u>1,907</u>
Amortisation			
At 26 December 2018	115	980	1,095
Provided during the year	-	37	37
At 25 December 2019	<u>115</u>	<u>1,017</u>	<u>1,132</u>
Carrying amount			
At 25 December 2019	<u>-</u>	<u>775</u>	<u>775</u>
At 25 December 2018	<u>-</u>	<u>335</u>	<u>335</u>

Goodwill is being written off in equal annual instalments over its estimated economic life of 5 years.

Other intangible assets includes software which is being written off in equal annual instalments over its estimated economic life of 3 years and development costs which will be written off over the estimated useful life of the product being developed.

10 Tangible fixed assets

	Land and buildings £000	Plant and machinery £000	Fixtures, fittings, tools and equipment £000	Total £000
Cost				
At 26 December 2018	370	1,416	1,253	3,039
Additions	22	36	184	242
Disposals	-	(38)	-	(38)
At 25 December 2019	<u>392</u>	<u>1,414</u>	<u>1,437</u>	<u>3,243</u>
Depreciation				
At 26 December 2018	368	1,130	1,067	2,565
Charge for the year	-	121	139	260
On disposals	-	(38)	-	(38)
At 25 December 2019	<u>368</u>	<u>1,213</u>	<u>1,206</u>	<u>2,787</u>
Carrying amount				
At 25 December 2019	<u>24</u>	<u>201</u>	<u>231</u>	<u>456</u>
At 25 December 2018	<u>2</u>	<u>286</u>	<u>186</u>	<u>474</u>

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11 Investments	Shares in subsidiary undertakings £000	Total £000
Cost		
At 26 December 2018	2,931	2,931
Additions	22	22
Disposals	(157)	(157)
At 25 December 2019	<u>2,796</u>	<u>2,796</u>
Provisions		
At 26 December 2018	400	400
Provision for the year	2	2
At 25 December 2019	<u>402</u>	<u>402</u>
Carrying amount		
At 25 December 2019	<u>2,394</u>	<u>2,394</u>
At 25 December 2018	<u>2,531</u>	<u>2,531</u>

The addition in the year relates to the purchase of share capital in Natural Power AS for £2,000 and an additional loan of £20,000 to Wind Energy Benchmarking Services Limited.

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11 Investments (continued)

The company holds 20% or more of the share capital of the following companies:

Company	Country of incorporation	Principal activity	Percentage of ordinary shares held	Capital and reserves £000	Profit (loss) for the year £000
Natural Power Services (1) Limited	Scotland	Asset management for renewable energy industry	100%	4,612	1,471
Natural Power Operations (1) Limited	Scotland	Dormant	100%	292	-
(2) Natural Power SARL	France	Renewable energy consultancy	100%	(138)	(54)
(3) Natural Power LLC The Natural Power Consultants (Ireland)	USA	Renewable energy consultancy	100%	(99)	(58)
(4) Limited	Rep. of Ireland	Renewable energy consultancy	100%	58	13
The Natural Power (5) Consultants (Sweden) AB	Sweden	Renewable energy consultancy	100%	2	(2)
Natural Power Asset (1) Management Limited	Scotland	Dormant	100%	-	-
(1) Windborne Limited	Scotland	Dormant	100%	-	-
Wind Energy Benchmarking Services (6) Limited	England	Benchmarking services for wind farms	49%	(305)	(76)
(7) Natural Power AS	Norway	Dormant	100%	3	-

The registered addresses of the above are:

- [1] Forrest Estate, St John's Town of Dalry, Castle Douglas, Dumfries & Galloway DG7 3XS
- [2] Les Salorges 1 Boulevard Salvador Allende 44100 Nantes
- [3] 63 Franklin Street, Saratoga Springs, New York 12866
- [4] 1st Floor, Suite 6, The Mall, Beacon Court, Sandyford, Dublin 18, Ireland
- [5] c/o Servando Bolag AB, Box 5814, 102 48 Stockholm
- [6] Offshore House, Albert Street, Blyth, Northumberland NE24 1LZ
- [7] Fred. Olsens gate 2, OSLO 0152

12 Debtors	2019 £000	2018 £000
Trade debtors	2,684	3,219
Amounts owed by group undertakings	2,203	1,786
Deferred tax asset (see note 15)	578	511
Other debtors	43	32
Prepayments and accrued income	951	813
	<u>6,459</u>	<u>6,361</u>

Accrued income relates to contract revenue not yet invoiced in accordance with the company's revenue recognition policy.

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13 Creditors: amounts falling due within one year	2019	2018
	£000	£000
Asset Finance	183	185
Trade creditors	463	722
Amounts owed to group undertakings	194	766
Corporation tax	91	-
Other taxes and social security costs	746	757
Other creditors	253	201
Accruals and deferred income	1,619	1,097
	<u>3,549</u>	<u>3,728</u>

Deferred income relates to invoices issued but not yet recognised as contract revenue in accordance with the company's revenue recognition policy.

14 Creditors: amounts falling due after one year	2019	2018
	£000	£000
Asset Finance	15	211
Other creditors	44	16
	<u>59</u>	<u>227</u>

15 Deferred taxation	2019	2018
	£000	£000
Accelerated capital allowances	(405)	(438)
Other	(173)	(73)
	<u>(578)</u>	<u>(511)</u>

	2019	2018
	£000	£000
Opening Balance	(511)	(503)
Credited to the profit and loss account	(67)	(8)
	<u>(578)</u>	<u>(511)</u>

16 Share capital	Nominal value	2019	2019	2018
		Number	£000	£000
Allotted, called up and fully paid:				
Ordinary shares	£1 each	500,000	<u>500</u>	<u>500</u>

17 Profit and loss account	2019	2018
	£000	£000
Opening Balance	6,310	5,961
Profit for the financial year	676	349
	<u>6,986</u>	<u>6,310</u>

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18 Events after the reporting date

Since the year end, the COVID-19 pandemic has significantly impacted on world economies. The full impact from this pandemic is still too early to predict, both regarding our company and the world economy. From an accounting perspective, a continued deterioration increases the risk of impairments and may also affect accounting estimates going forward. At this stage, the Company do not view the need to impair any assets as a direct result of the pandemic, and they can continue to be recognised in full.

19 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

	Land and buildings 2019 £000	Land and buildings 2018 £000	Other 2019 £000	Other 2018 £000
Falling due:				
within one year	276	282	123	97
within two to five years	1,021	1,029	135	72
in over five years	576	816	-	-
	<u>1,873</u>	<u>2,127</u>	<u>258</u>	<u>169</u>

20 Contingent liabilities

The company is party to a Multilateral Guarantee with certain group companies guaranteeing overdraft and other facilities. The amount outstanding at year end was £nil (2018: £nil)

The company has provided the following guarantees to third parties on behalf of its subsidiary Natural Power Services Limited:

Date	First 3 years of term	Remainder of term
10 July 2017	£2.25 million	£0.75 million
22 February 2018	£1.5 million	£0.5 million
22 February 2018	£1.5 million	£0.5 million
10 August 2018	£1.5 million	£0.5 million

21 Related party transactions

The Company has taken advantage of the exemption in FRS 102.33.1 (a) from disclosing transactions with its parent company or other wholly owned subsidiaries of the group.

22 Controlling party

The company is a subsidiary undertaking of Fred. Olsen Limited, incorporated in England & Wales.

The largest group in which the results of the company are consolidated is that headed by Fred. Dessen & Co Limited, 2nd Floor, 36 Broadway, London, SW1H 0BH, the company's ultimate parent company, incorporated in England & Wales. The consolidated accounts of this group are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ.