REGISTERED NUMBER: 01878456 (England and Wales)

Strategic Report, Directors' Report and

Audited Financial Statements for the Year Ended 31 December 2019

for

Garrad Hassan & Partners Limited

Garrad Hassan & Partners Limited

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for the Year Ended 31 December 2019

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Garrad Hassan & Partners Limited

Company Information
for the Year Ended 31 December 2019

DIRECTORS:	Dr. L Landberg P S Rasiah M C Fernandez K D Harman
REGISTERED OFFICE:	One Linear Park Avon Street Temple Quay Bristol BS2 0PS
REGISTERED NUMBER:	01878456 (England and Wales)
AUDITOR:	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL

Garrad Hassan & Partners Limited

Strategic Report
for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

The principal activity of the company during the period was that of renewable energy consultancy. The company provides a comprehensive range of technical services to wind and solar farm developers, owners and investors with energy resource assessment and technical due diligence in particular specialist areas. For manufacturers the services include high level design support and analysis of wind turbines, components and control systems. The company also undertakes projects in digital solutions and research and development.

The key financial and other performance indicators during the year were as follows:

	2019	2018	Change
	£	£	%
Turnover	20,820,921	24,714,430	(16%)
Operating (loss)	(986,230)	(210,737)	(568%)
(Loss) for the financial year	(1,041,718)	(234,718)	(544%)

During the year, the turnover has reduced by £4 million primarily in the renewables advisory service where there have been revenue reductions mainly in the turbine engineering service that has a significant footprint in the Chinese market. Cost of sales has reduced but not to the same level as revenue reduction. This has led to a reduction of gross profit of £2 million when compared to the previous year. The underlying businesses within this entity are operationally profitable however during the year the company has incurred one off costs relating to the clean up of historic balances (£0.8m) giving rise to the overall loss position for the company.
The company has continued to strengthen its position as a leading global wind energy consultancy despite a downturn in the global market and a reduction in sales. The Company also expect to grow in digital solution services and continue in research and development.

In September 2019, the company received a Capital injection of £2,000,000 from Garrad Hassan Group Ltd and issued 2,000,000 £1 shares to Garrad Hassan Group Ltd.

FUTURE DEVELOPMENTS

The company will continue the efforts to sustain the current level of activity during the forthcoming year and beyond. Focus will continue on the cost base and increasing our market share.

PRINCIPAL RISKS AND UNCERTAINTIES
The management of the business and the execution of the company's strategy are subject to a number of risks. The principal risks and uncertainties facing the company are addressed as below.

Price Risk
The company has exposure to foreign currency risk due to various intercompany balances and significant sales to overseas companies. The company seeks to balance the flows of currency across countries to minimise any imbalance of foreign currency receipts and payments.

Legislative Risk
The company has invested in internal quality controls and training provision to ensure the highest standards are maintained in line with legal and regulatory requirements.

Financial Instrument Risk
Apart from working capital, the company does not have any other financial instruments. The financial risk management policies and procedures of the company are centred on the following which in the view of the directors are held to present minimal risk:

Credit Risk
Credit risk is the risk that that one party to a financial instrument will fail to discharge their obligation and cause the other party to incur a financial loss. The company has detailed credit control procedures and policies in place which limit counterparty exposures and ensure credit checks are undertaken before contracting with counterparty.

Liquidity Risk
Liquidity risk is the risk an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Cash flow is regularly monitored, and controlled against forecast by the company treasury department. The parent company has also given a commitment to provide support as needed.

Cash flow risk
Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a variability rate debt. The company manages this risk with support if necessary from parent company.

Departure from the European Union
The UK has officially departed the EU with a withdrawal agreement in place on 31 January 2020. The UK is currently in a transition period until the end of 2020 as they are in the process of negotiating a comprehensive trade agreement with the bloc and in the transition period they still align to the rules of the EU. Therefore the first part of Brexit negotiations have concluded. However a 'hard Brexit' could still occur in the event that the UK and EU cannot reach a conclusion on a future trade agreement. Given the uncertainty that exists around this, the Directors have considered additional risk faced by the Company. The principal elements of this risk are considered to be increased volatility in currency exchange. This is monitored and mitigated as discussed in Price Risk above. The second principle risk is considered to be labour market risk due to the multi-cultural workforce of the Company. There is already precedent for virtual teams forming across multiple locations in order to deliver projects and the Director's consider that this would manage the risk in the short to medium term while the profile of the workforce evolves for the long term stability of the Company.

COVID-19

During the first quarter of 2020, the spread of Coronavirus (COVID-19) has impacted an increasing number of countries including the UK with increasing severity. In March 2020, the World Health Organisation (WHO) declared COVID-19 a Global pandemic. The impact of the pandemic during the first quarter of 2020 has been limited but is worsening during the second quarter. The situation is being monitored closely and the impact on employees, customers and business is being assessed continuously and all necessary mitigations will be implemented as required. The full extent, consequences and duration of the COVID-19 pandemic and the operational and financial impact for the Company is difficult to predict.

The key risks associated with the COVID-19 pandemic include:

- Employees: The Company is working to look after the health and well being of all employees. The Company has ensured that business can continue with employees working from home wherever possible.
- Customers: Revenues may be impacted by restriction of movements of customers. The Company has also put in place plans to provide services remotely where possible. The Company could be exposed to a downturn in consumer confidence, particularly linked to the current low oil price.
- Supply chain: Business processes could be disrupted due to lack of availability of workforce, disruption to distribution networks, and restrictions placed by overseas governments. The Company is working with key suppliers to ensure continuity of supplies wherever possible.
- Debt collection: It is expected that some customers may experience liquidity problems and could struggle to pay their debts. To mitigate, the Company has increased its debt collection processes. The financial forecasts have also been adjusted to assume a worsening in debt collection over the 2nd and 3rd quarters of 2020.
- Finance: The Company has updated its financial projections to incorporate the anticipated impact of the pandemic. This includes the anticipated worsening in revenue and a comprehensive cost saving programme. Cash flows are being monitored closely to ensure that all liabilities can be paid as they fall due. Management has obtained the parental support in case of worst case scenario.

Financial Projections

Using the above risk factors, a detailed financial assessment has been undertaken. Based on management's view of the most likely outcome, a reduction in revenue of £2.0m (9%) and profit before tax of £2.3m (67%) in 2020 is expected compared to forecast. The impact on cash flows in 2020 being a reduction of £4.9m compared to the original forecasts.

A comprehensive cost saving programme has been put in place to include salary cuts for all staff, reduction in use of agency staff, furloughing of employees where appropriate, the delay of all non-essential projects, and the review and elimination of all unnecessary costs.
The adverse end of the range of possible outcomes assumes a further worsening of £9.9m in the 2020 cash position. In this scenario, no revenue is assumed in the 2nd and 3rd quarters of 2020 unless the revenue is contracted. In this worst case scenario, it is possible that cash balances will fall below agreed overdraft limits. In the event this happens, the Company would utilise the support already obtained from its immediate parent Garrad Hassan Group Ltd.

ON BEHALF OF THE BOARD:

....
M C Fernandez -Director

Date: 03 July 2020

Directors' Report
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

DIVIDENDS
The loss for the year after taxation amounted to £1,041,718 (2018: loss of £(234,718)). The directors do not recommend payment of a dividend (2018: £nil).

RESEARCH AND DEVELOPMENT
Costs incurred in relation to research and development activity are charged to the profit and loss account in the period in which they are incurred.

As part of the company's services to customers, the company undertakes certain research and development activities on their behalf. Turnover and costs associated with such activities are treated in the same way as all other service activities.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

Dr. L Landberg
P S Rasiah
M C Fernandez

Other changes in directors holding office are as follows:

G N Mccann - resigned 19 March 2019
K D Harman - appointed 19 March 2019

POLITICAL DONATIONS AND EXPENDITURE
The Company made no political donations or incurred any political expenditure during the year or in previous year.

GOING CONCERN

During the year, the company made a loss after tax of £1,041,718 (2018: £234,718). At the balance sheet, date it held net assets of £2,954,605 (2018: £1,996,323).

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company's forecasts and projections, which are prepared for a period of 12 months from the date of approval of these financial statements and taking account reasonably possible changes in trading performance show the company should be able to continue to operate as a going concern. Accordingly, they continue to adopt the going concern bases in preparing the annual report and accounts.
Covid has been considered in the forecast and assessment for going concern, please see Strategic report for more details.

EMPLOYEE INVOLVEMENT
The group operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year, the policy of providing employees with information about the group has been continued through the company's intranet in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employee representatives via the Employee Communication and Consultation Forum to allow a free flow of information and ideas. Employees participate directly in the success of the business through the group profit share and bonus bank schemes. In addition employees are asked to share their thoughts on what it is like to work for DNV GL Group via regular colleague opinion surveys. The results of these surveys are considered by the board and show improvement in employee sentiment.

DISABLED EMPLOYEES
The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

STATEMENT AS TO 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; and 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
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

ON BEHALF OF THE BOARD:

....
M C Fernandez - Director

Date: 03 July 2020

Garrad Hassan & Partners Limited

Statement of Directors' Responsibilities
for the Year Ended 31 December 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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
Garrad Hassan & Partners Limited

Opinion

We have audited the financial statements of Garrad Hassan & Partners Limited ("the company") for the year ended 31 December 2019 which comprise Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss 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 for 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 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.

Independent Auditor's Report to the Members of
Garrad Hassan & Partners Limited

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.

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 seven, 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.

Independent Auditor's Report to the Members of
Garrad Hassan & Partners Limited

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.

Frederic Caharel (Senior Statutory Auditor)
for and on behalf of KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Date: ....

Garrad Hassan & Partners Limited

Statement of Comprehensive Income
for the Year Ended 31 December 2019

	Notes	2019 £	Restated (Note 2) 2018 £
TURNOVER	3	20,820,921	24,714,430
Cost of sales		(15,238,345)	(17,128,311)
GROSS PROFIT		5,582,576	7,586,119
Administrative expenses		(6,948,348)	(7,855,051)
Other operating income		379,542	58,195
OPERATING LOSS	5	(986,230)	(210,737)
Interest receivable and similar income	6	3,202	3,710
Interest payable and similar expenses	7	(116,643)	(107,323)
LOSS BEFORE TAXATION		(1,099,671)	(314,350)
Tax on loss	8	57,953	79,632
LOSS FOR THE FINANCIAL YEAR		(1,041,718)	(234,718)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,041,718)	(234,718)

The notes form part of these financial statements

Garrad Hassan & Partners Limited (Registered number: 01878456)

Statement of Financial Position
31 December 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	9	69,604	-
Tangible assets	10	14,822	28,552
		84,426	28,552
CURRENT ASSETS			
Debtors	11	13,260,796	17,788,632
CREDITORS			
Amounts falling due within one year	12	(10,303,613)	(15,733,857)
NET CURRENT ASSETS		2,957,183	2,054,775
TOTAL ASSETS LESS CURRENT LIABILITIES		3,041,609	2,083,327
PROVISIONS FOR LIABILITIES	16	(87,004)	(87,004)
NET ASSETS		2,954,605	1,996,323
CAPITAL AND RESERVES			
Called up share capital	17	2,000,090	90
Retained earnings		954,515	1,996,233
SHAREHOLDERS' FUNDS		2,954,605	1,996,323

The financial statements were approved by the Board of Directors and authorised for issue on 03 July 2020 and were signed on its behalf by:

....
M C Fernandez - Director

The notes form part of these financial statements

Garrad Hassan & Partners Limited

Statement of Changes in Equity
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	90	2,230,951	2,231,041
Changes in equity			
Total comprehensive income	-	(234,718)	(234,718)
Balance at 31 December 2018	90	1,996,233	1,996,323
Changes in equity			
Issue of share capital	2,000,000	-	2,000,000
Total comprehensive income	-	(1,041,718)	(1,041,718)
Balance at 31 December 2019	2,000,090	954,515	2,954,605

The notes form part of these financial statements

1. STATEMENT OF COMPLIANCE

Garrad Hassan & Partners Ltd is a limited liability company incorporated in England. The Registered Office is One Linear Park, Avon Street, Bristol BS2 0PA.

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2019.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared on the historical cost basis. The nature of operations and principal activity are set out in the Strategic Report.

The financial statements are prepared in Sterling which is the functional currency of the company. All amounts in the financial statements have been rounded to the nearest £.

Prior year restatement
During the year, a review of expense accounts was undertaken. Based on the review, there were items identified as Admin in 2018 but that should have been cost of sales of an equal and opposite amount. Those amounts are expenses relating to external revenue projects. As a result, there is an increase in 2018 cost of sales by £1,895,039. 2018 Gross profit has therefore reduced by £1,895,039.
The restatement has no impact on the profit for the year and net assets at 31 December 2018.

Going concern
During the year, the company made a loss after tax of £1,041,718 (2018: £234,718). At the balance sheet date, it held net assets of £2,954,605 (2018: £1,996,323), 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 including COVID 19 (as explained in strategic report), the company will have sufficient funds, through its overdraft facility and funding from its immediate parent company, Garrad Hassan Group Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Garrad Hassan Group Limited providing additional financial support during that period. Garrad Hassan Group Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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.

2. **ACCOUNTING POLICIES - continued**

Financial Reporting Standard 102 - reduced disclosure exemptions
The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Judgements and key sources of estimation uncertainty
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 judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

1) Stage of completion revenue recognition and provision for losses on contracts - judgement and estimation
Assessing the stage of completion of a long term contract requires judgement to be exercised based on a range of factors, including but not limited to, progress milestones achieved, costs incurred relative to total expected costs, and an assessment as to whether milestones and or costs are representative of progress. In addition estimates are made for the expected costs to be incurred. These judgements and estimates may in the passage of time not be proved to be correct and may impact the recognition of revenue, costs, profits, and provision for losses on contracts.

2) Provision for dilapidations - judgment and estimation
The company provides for future liabilities arising from contractual obligations to return property held under operating leases to the specified condition contained within the lease agreement. Management judgement and estimation is required to determine the amount of dilapidations to be provided. These judgements and estimates may in the passage of time not be proved to be correct and may impact the recognition of costs.

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

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

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied.

2. **ACCOUNTING POLICIES - continued**

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- Plant & machinery	25% per annum straight line
- Fixtures & fittings	20% - 25% per annum straight line
- Computer equipment	25% per annum straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Foreign currencies
Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

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

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

Pension and other post-retirement benefits
Contributions to defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2. **ACCOUNTING POLICIES - continued**

Operating lease commitments
The Company has entered into commercial property leases as a lessee where it obtains use of property. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Turnover
The turnover recognised in the profit and loss account represents amounts in respect of work carried out during the year, exclusive of Value Added Tax.

Sales invoices are raised and payments are received in line with the milestones held within signed agreements between the company and its customers. Revenue is recognised as earned when there is evidence that a contractual agreement exists and the company has performed its duty in respect of the right to consideration in exchange for its performance under these agreed contracts. Where amounts are received in advance of the company performing their duty and right to recognise revenue, this income is deferred and held in the balance sheet as payments received on account. Where work performed has not been invoiced but the company has performed its obligations to receive this revenue, these amounts are accrued within the balance sheet as amounts recoverable on contracts.

For software sales, the revenue is recognised when the contractual obligation has been met and payment has been received. Where there is a training element associated with the software sale, this part is deferred until the training has been performed.

Interest receivable
Interest receivable is recognised as interest accrued using the effective interest method.

Provisions for liabilities
A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

3. **TURNOVER**

Turnover represents the amounts derived from provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax.

Turnover is analysed as follows:

	2019	2018
	£	£
United Kingdom	4,867,833	4,960,739
Rest of the World	15,953,088	19,753,691
	20,820,921	24,714,430

4. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	8,217,925	9,057,483
Social security costs	822,227	925,259
Other pension costs	702,634	764,942
	9,742,786	10,747,684

The average number of employees during the year was as follows:

	2019	2018
Professional	134	149
Sales and administration	22	23
	156	172

	2019	2018
	£	£
Directors Remuneration	286,026	301,421
Directors pension contributions to money purchase schemes	26,125	29,591

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	4	4

The highest paid director in the year received aggregate remuneration of £148,716 (2018: £134,203) and £13,325 (2018: £13,004) for company contributions to money purchase pension plan.

5. OPERATING LOSS

The operating loss is stated after charging:

	2019	2018
	£	£
Depreciation - owned assets	80,741	117,830
Auditor's remuneration	18,675	13,303
Foreign exchange differences	356,983	46,299
Operating lease rentals - land and building	67,081	39,898

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£	£
Interest on bank loans and overdrafts	3,202	3,710

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank loans and overdrafts	60,175	34,480
Group undertaking interest	56,468	72,843
	116,643	107,323

8. TAXATION

Analysis of the tax credit
The tax credit on the loss for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	(311,269)	(97,044)
Adjustments in respect of prior periods	34,892	13,042
Total current tax	(276,377)	(84,002)
Deferred tax:		
Origination and reversal of timing differences	172,739	5,671
Adjustments in respect of prior periods	45,685	(1,301)
Total deferred tax	218,424	4,370
Tax on loss	(57,953)	(79,632)

8. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher (2018: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Loss before tax	(1,099,671)	(314,350)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(208,937)	(59,727)
Effects of:		
Expenses not deductible for tax purposes	14,359	5,137
Income not taxable for tax purposes	-	(25,320)
Adjustments to tax charge in respect of previous periods	80,577	11,741
Adjust closing deferred tax to average rate of 19%	38,019	48,215
Adjust opening deferred tax to average rate of 19%	(42,840)	(48,882)
Fixed asset difference	(287)	-
R&D expenditure credits	(70,598)	(10,796)
Group relief surrendered	311,269	97,044
Payment of group relief	(311,269)	(97,044)
Deferred tax not recognised	131,754	-
Total tax credit	(57,953)	(79,632)

8. TAXATION - continued

Factors affecting future tax charge

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset as at 31 December 2019 has been calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly and increase the deferred tax asset by £22,518.

The company has tax losses of £775,022 (2018: £0) that are available indefinitely for offset against future trading profits of the company.

Deferred tax assets have not been recognised in respect of these losses as currently there is insufficient evidence that these losses will be recoverable.

Deferred tax

The movement in the deferred tax account in the year was;

	2019
	£
As at 1 January 2019	(409,829)
Deferred tax charge in the Profit and loss account for the period	218,424
As at 31 December 2019	(191,405)

	2019	2018
	£	£
The deferred tax included in the balance sheet is as follows:		
Accelerated capital allowances	(176,345)	(253,506)
Short term timing differences	(15,060)	(24,824)
Trade losses	-	(131,499)
Deferred tax (asset)	(191,405)	(409,829)

9. INTANGIBLE FIXED ASSETS

	Development costs £
Cost	
At 1 January 2019	-
Additions	69,604
At 31 December 2019	69,604
Amortisation	
At 1 January 2019	-
charge for the year	-
At 31 December 2019	-
NET BOOK VALUE	
At 31 December 2018	-
At 31 December 2019	69,604

There has been no amortisation during the year, as the asset is still under construction.

10. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2019	62,728	258,186	555,676	876,590
Additions	-	62,716	4,295	67,011
At 31 December 2019	62,728	320,902	559,971	943,601
DEPRECIATION				
At 1 January 2019	60,860	233,804	553,374	848,038
Charge for year	1,868	72,276	6,597	80,741
At 31 December 2019	62,728	306,080	559,971	928,779
NET BOOK VALUE				
At 31 December 2019	-	14,822	-	14,822
At 31 December 2018	1,868	24,382	2,302	28,552

11. DEBTORS

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	2,065,852	2,990,564
Amounts owed by group undertakings	9,667,584	10,521,072
Amounts recoverable on contract	997,412	1,849,365
Other debtors	228,398	1,695,080
Prepayments	110,145	322,722
	13,069,391	17,378,803
Amounts falling due after more than one year:		
Deferred tax asset (note 8)	191,405	409,829
Aggregate amounts	13,260,796	17,788,632

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank overdrafts (see note 13)	119,729	3,960,096
Trade creditors	3,102	455,172
Amounts owed to group undertakings	6,596,501	7,649,031
Social security and other taxes	215,712	105,186
Other creditors	-	116,100
Accruals and deferred income	3,368,569	3,448,272
	10,303,613	15,733,857

13. CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Cash at Bank	553,587	3,680,704
Overdraft	(673,316)	(7,640,800)
	(119,729)	(3,960,096)

Bank overdrafts are falling due within one year or on demand.

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	75,900	78,532
Between one and five years	208,725	290,246
	284,625	368,778

14. LEASING AGREEMENTS - continued

Lease payments during the year were £75,900 (2018: £75,900).

15. FINANCIAL INSTRUMENTS

	2019	2018
	£	£
Financial assets measured at amortised cost:		
Debtors	11,740,999	13,560,489
	11,740,999	13,560,489
Financial liabilities measured at amortised cost:		
Creditors	6,599,604	5,474,269
Bank overdraft	119,729	3,960,096
	6,719,333	9,434,365

16. PROVISIONS FOR LIABILITIES

	Provision for Dilapidations
	£
At 1 January 2019	87,004
Released during the year	-
At 31 December 2019	87,004

Dilapidations provision
A provision has been recognised for dilapidations on leased properties where the company has a legal obligation to return the properties at the end of the lease to their original condition. The current lease term expires in 2024.

17. CALLED UP SHARE CAPITAL

Authorised share capital

	2019 £	2018 £
100 Ordinary shares of £1 each	100	100
Additional 4,999,900 Ordinary shares of £1 each	4,999,900	-
	5,000,000	100

Allotted, called up and fully paid

	2019 £	2018 £
90 Ordinary shares of £1 each	90	90
Additional 2,000,000 Ordinary shares of £1 each	2,000,000	-
	2,000,090	90

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

18. POST BALANCE SHEET EVENTS

During the first quarter of 2020, the spread of Coronavirus (COVID-19) has impacted an increasing number of countries including the UK with increasing severity. In March 2020, the World Health Organisation (WHO) declared COVID-19 a Global pandemic. The impact of the pandemic during the first quarter of 2020 has been limited but is worsening during the second quarter. The situation is being monitored closely and the impact on employees, customers and business is being assessed continuously and all necessary mitigations will be implemented as required. The full extent, consequences and duration of the COVID-19 pandemic and the operational and financial impact for the Company is difficult to predict. The key risks faced and the likely impact on the Company's financial performance is outlined in the Strategic Report in more detail.

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTIES

The Company's immediate parent is Garrad Hassan Group, a company registered in England & Wales. (registered address: One Linear Park Avon Street, Temple Quary, Bristol, BS2 0PS).

The ultimate owner is Stiftelsen Det Norske Veritas incorporated in Norway (registered address: 1, Veritasveien, Høvik, 1363, Norway) who are the most senior parent entity producing publicly available financial statements. The financial statements are published online at www.detnorskeveritas.com.

The most Junior parent entity producing publicly available financial statements is DNV GL AS. The financial statements are available upon request from DNV (Corporate Communications), 1322 Hovik, Norway and published online at www.dnvgl.com/publications/annual-report/.