REGISTERED NUMBER: 01878456 (England and Wales)

Strategic Report, Directors' Report and

Financial Statements for the Year Ended 31 December 2020

for

Garrad Hassan & Partners Limited

Garrad Hassan & Partners Limited

Contents of the Financial Statements
for the Year Ended 31 December 2020

Garrad Hassan & Partners Limited

Company Information
for the Year Ended 31 December 2020

DIRECTORS:	Dr. L Landberg M C Fernandez K D Harman P Vamadevan
REGISTERED OFFICE:	One Linear Park Avon Street Temple Quay Bristol BS2 0PS
REGISTERED NUMBER:	01878456 (England and Wales)
AUDITOR:	KPMG LLP 1 Forest Gate Brighton Road Crawley RH11 9PT

Garrad Hassan & Partners Limited

Strategic Report
for the Year Ended 31 December 2020

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

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:

	2020	2019	Change
	£	£	%
Turnover	19,879,327	20,820,921	(5%)
Operating (loss)	(496,307)	(986,230)	50%
(Loss) for the financial year	(562,064)	(1,041,718)	46%

During the year, the turnover decreased by approximately £1 million. The majority of this reduction is related to Global Shared Services recharges. Another factor was that the Digital Solutions business area suffered a drop in external turnover, caused by a number of contracts moving to other regions within the DNV Group.
The core business area of the Company, Energy, continued its strong performance from the previous year.
Despite the decline in turnover, the operating result improved, primarily as an effect of less travel and entertaining due to Covid restrictions. The Company also embarked on cost-cutting measures implemented during the year to minimise company expenses.
The Company has continued to strengthen its position as a leading global wind energy consultant despite a downturn in the global market. The Company expects to grow in Digital Solution services and continue in research and development.

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.

Currency 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

Following the UK's Departure from the EU, a trade agreement was approved by both parties in December 2020. This removes the risks associated with a "hard Brexit" but uncertainties around the future still remain.

The Directors continue to monitor 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 Currency Risk above. The second principle risk was considered to be labour market risk due to the multi-cultural workforce of the Company. This risk has now reduced with the trade agreement now in place.

COVID-19

Since the first quarter of 2020 the Company has been impacted by the COVID-19 pandemic. Initially the full extent, consequences and duration of the COVID-19 pandemic and the operational and financial impact for the Company were difficult to predict. The impact of the pandemic has not been as severe as was initially predicted however Management continues to monitor the situation closely.

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.
- 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: At the start of the COVID pandemic it had been expected that some customers may experience liquidity problems. This has not been the case but could happen after the end of the UK Government's support measures. To mitigate, the Company continues with strong debt collection processes. The financial forecasts have also been adjusted to assume a reduction in revenue in the 4th quarter of 2021.
- 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 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, compared to 2020 actual operating results, an increase in revenue of £0.1m (0.5%) and an EBITA reduction of £0.7m is expected. The impact on cash flows in 2021 is expected to be no change compared to 31 December 2020.

A comprehensive cost saving programme has been put in place to include organisational restructuring, 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 £2.2m in the 2021 cash position. In this scenario, only 50% of revenue is assumed to be earned in the 4th quarter of 2021.

If cash balances were to fall below agreed overdraft limits, the Company would utilise the support already obtained from its intermediate parent company, DNV AS.

ON BEHALF OF THE BOARD:

M C Fernandez - Director

23 June 2021

Directors' Report
for the Year Ended 31 December 2020

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

DIVIDENDS
The loss for the year after taxation amounted to £562,064 (2019: loss of £1,041,718). The directors do not recommend payment of a dividend (2019: £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.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

Dr. L Landberg
M C Fernandez
K D Harman

Other changes in directors holding office are as follows:

P Vamadevan was appointed as a director on 1 February 2021.

P S Rasiah ceased to be a director on 1 February 2021.

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 £562,064 (2019: loss of £1,041,718). At the balance sheet date it held net assets of £2,392,541 (2019: £2,954,605), 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 the Strategic Report), the company will have sufficient funds, through its overdraft facility and funding from its intermediate parent company, DNV AS, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on DNV AS providing additional financial support during that period. DNV AS 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.

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 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.

Garrad Hassan & Partners Limited

Directors' Report
for the Year Ended 31 December 2020

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

23 June 2021

Garrad Hassan & Partners Limited

Statement of Directors' Responsibilities
for the Year Ended 31 December 2020

The directors are responsible for preparing 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 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 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of changes in equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet targets following the outbreak of Covid-19 we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as pension assumptions.

We also identified a fraud risk related to contract asset valuation in response to possible opportunities for manipulation as a subjective area.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts pairings.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, and pensions legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Group is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

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 nine, 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.

Matthew Green

Matthew RE Green (Senior Statutory Auditor)
for and on behalf of KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

Date: 25 June 2021

Garrad Hassan & Partners Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	Notes	2020 £	2019 £
TURNOVER	4	19,879,327	20,820,921
Cost of sales		(9,433,221)	(15,238,345)
GROSS PROFIT		10,446,106	5,582,576
Administrative expenses		(11,223,596)	(6,948,348)
		(777,490)	(1,365,772)
Other operating income		281,183	379,542
OPERATING LOSS	6	(496,307)	(986,230)
Interest receivable and similar income	7	-	3,202
Interest payable and similar expenses	8	(42,317)	(116,643)
LOSS BEFORE TAXATION		(538,624)	(1,099,671)
Tax on loss	9	(23,440)	57,953
LOSS FOR THE FINANCIAL YEAR		(562,064)	(1,041,718)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(562,064)	(1,041,718)

The notes form part of these financial statements

Garrad Hassan & Partners Limited (Registered number: 01878456)

Statement of Financial Position
31 December 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	10	42,536	69,604
Tangible assets	11	80,527	14,822
		123,063	84,426
CURRENT ASSETS			
Debtors	12	9,363,952	13,260,796
Cash at bank		1,361,202	-
		10,725,154	13,260,796
CREDITORS			
Amounts falling due within one year	13	(8,368,672)	(10,303,613)
NET CURRENT ASSETS		2,356,482	2,957,183
TOTAL ASSETS LESS CURRENT LIABILITIES		2,479,545	3,041,609
PROVISIONS FOR LIABILITIES	17	(87,004)	(87,004)
NET ASSETS		2,392,541	2,954,605
CAPITAL AND RESERVES			
Called up share capital	18	2,000,090	2,000,090
Retained earnings		392,451	954,515
SHAREHOLDERS' FUNDS		2,392,541	2,954,605

The financial statements were approved by the Board of Directors and authorised for issue on 23 June 2021 and were signed on its behalf by:

M C Fernandez - Director

Garrad Hassan & Partners Limited

Statement of Changes in Equity
for the Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	90	1,996,233	1,996,323
Changes in equity			
Issue of share capital	2,000,000	-	2,000,000
Total comprehensive loss	-	(1,041,718)	(1,041,718)
Balance at 31 December 2019	2,000,090	954,515	2,954,605
Changes in equity			
Total comprehensive loss	-	(562,064)	(562,064)
Balance at 31 December 2020	2,000,090	392,451	2,392,541

The notes form part of these financial statements

1. STATUTORY INFORMATION

Garrad Hassan & Partners Ltd is a private limited company, registered in England and Wales. The registered office is One Linear Park, Avon Street, Bristol BS2 0PS.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. 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 £.

Going concern
During the year, the company made a loss after tax of £562,064 (2019: loss of £1,041,718). At the balance sheet date, it held net assets of £2,392,541 (2019: £2,954,605), 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 the Strategic Report), the company will have sufficient funds, through its overdraft facility and funding from its intermediate parent company, DNV AS, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on DNV AS providing additional financial support during that period. DNV AS 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.

Prior year representation
In preparing the FRS 102 Statement of comprehensive income, the company has made no financial adjustments to the amounts reported previously in the financial statements prepared.

There has been a change in presentation of expenses as admin or cost of sales, and an explanation as to how this has affected the company income statement has been set out below.

The main reason for the difference was Group internal charges previously presented as cost of sales but now correctly presented as admin expenses.

Financial statement caption	**Previously reporting**	**Reported following change in presentation**	**Movement**
	£	**£**	**£**
Revenue	20,820,921	20,820,921	-
Cost of sales	(15,238,345)	(9,434,853)	(5,803,492)
Admin expenses	(6,948,348)	(12,751,840)	5,803,492
Other operating income	379,542	379,542	-
Operating loss	(986,230)	(986,230)	-

This is a change in presentation. With the core finance team now based in Poland there is now a consistent approach across all group entities as to the classification of costs. Previously where entities have individually decided whether a cost centre sits in admin or cost of sales, there is now a coherent approach taken across all UK entities.

Financial Reporting Standard 102 - reduced disclosure exemptions
The Company's ultimate parent undertaking, Stiftelsen Det Norske Veritas, includes the Company in its consolidated financial statements. The consolidated financial statements of Stiftelsen Det Norske Veritas are available to the public and may be obtained from www.detnorskeveritas.com. 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:
- Cash Flow Statement and related notes; and
- Related Party Disclosures.

3. ACCOUNTING POLICIES - continued

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 - estimation
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.

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.

3. **ACCOUNTING POLICIES - continued**

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.

3. 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.

4. 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:

	2020	2019
	£	£
United Kingdom	5,090,387	4,867,833
Rest of the World	14,788,940	15,953,088
	19,879,327	20,820,921

5. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	8,091,843	8,217,925
Social security costs	765,504	822,227
Other pension costs	708,302	702,634
	9,565,649	9,742,786

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

	2020	2019
Professional	135	134
Sales and administration	18	22
	153	156

	2020	2019
	£	£
Directors Remuneration	330,736	286,026
Directors pension contributions to money purchase schemes	29,520	26,125

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 £185,679 (2019: £148,716) and £14,179 (2019: £13,325) for company contributions to money purchase pension plan.

6. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	24,759	80,741
Computer software amortisation	27,068	-
Auditor's remuneration	17,603	18,675
Foreign exchange differences	(26,583)	356,983
Operating lease rentals - land and building	81,620	67,081

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£	£
Interest on bank loans and overdrafts	-	3,202

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank loans and overdrafts	11,697	60,175
Group undertaking interest	30,620	56,468
	42,317	116,643

9. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the loss for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	(63,595)	(311,269)
Adjustments in respect of prior periods	67,624	34,892
Total current tax	4,029	(276,377)
Deferred tax:		
Origination and reversal of timing differences	40,133	172,739
Adjustments in respect of prior periods	1,608	45,685
Effect of tax rate change on opening balance	(22,330)	-
Total deferred tax	19,411	218,424
Tax on loss	23,440	(57,953)

UK corporation tax has been charged at 19%.

9. TAXATION - continued

Reconciliation of total tax charge/(credit) included in profit and loss

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

	2020	2019
	£	£
Loss before tax	(538,624)	(1,099,671)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(102,339)	(208,937)
Effects of:		
Expenses not deductible for tax purposes	131,750	14,359
Adjustments to tax charge in respect of previous periods	69,233	80,577
Adjust closing deferred tax to average rate of 19%	-	38,019
Adjust opening deferred tax to average rate of 19%	-	(42,840)
Fixed asset difference	-	(287)
R&D expenditure credits	(52,876)	(70,598)
Group relief surrendered	63,596	311,269
Payment of group relief	(63,596)	(311,269)
Deferred tax not recognised	15,501	131,754
Remeasurement of deferred tax for changes in tax rates	(37,829)	-
Total tax charge/(credit)	23,440	(57,953)

9. TAXATION - continued

Factors affecting future tax charge

On 3 March 2021, an increase in the Corporation Tax rate to 25% from 1 April 2023 was announced in the Chancellor's Budget. This will increase the company's future current tax charge accordingly and increase the deferred tax asset by £54,314.

The company has tax losses of £775,022 (2019: £775,022) 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;

	2020
	£
As at 1 January 2020	(191,405)
Deferred tax charge in the Profit and loss account for the period	19,411
As at 31 December 2020	(171,994)

	2019	2019
	£	£
The deferred tax included in the balance sheet is as follows:		
Accelerated capital allowances	(158,532)	(176,345)
Short term timing differences	(13,462)	(15,060)
Deferred tax (asset)	(171,994)	(191,405)

10. INTANGIBLE FIXED ASSETS

	Development costs £	Computer software £	Totals £
COST			
At 1 January 2020	69,604	-	69,604
Additions	-	69,604	69,604
Reclassification/transfer	(69,604)	-	(69,604)
At 31 December 2020	-	69,604	69,604
AMORTISATION			
Amortisation for year	-	27,068	27,068
At 31 December 2020	-	27,068	27,068
NET BOOK VALUE			
At 31 December 2020	-	42,536	42,536
At 31 December 2019	69,604	-	69,604

11. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2020	62,728	320,902	559,971	943,601
Additions	-	18,930	19,321	38,251
At 31 December 2020	62,728	339,832	579,292	981,852
DEPRECIATION				
At 1 January 2020	62,728	306,080	559,971	928,779
Charge for year	-	23,622	1,137	24,759
Charge written back	-	(52,213)	-	(52,213)
At 31 December 2020	62,728	277,489	561,108	901,325
NET BOOK VALUE				
At 31 December 2020	-	62,343	18,184	80,527
At 31 December 2019	-	14,822	-	14,822

12. DEBTORS

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	2,015,700	2,065,852
Amounts owed by group undertakings	5,324,177	9,667,584
Amounts recoverable on contract	1,044,330	997,412
Other debtors	695,055	228,398
Prepayments	112,696	110,145
	9,191,958	13,069,391
Amounts falling due after more than one year:		
Deferred tax asset (note 8)	171,994	191,405
Aggregate amounts	9,363,952	13,260,796

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank overdrafts (see note 14)	-	119,729
Trade creditors	26,130	3,102
Amounts owed to group undertakings	5,549,442	6,596,501
Social security and other taxes	339,986	215,712
VAT	248,866	-
Accruals and deferred income	2,204,248	3,368,569
	8,368,672	10,303,613

14. CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at Bank	2,130,970	553,587
Overdraft	(769,768)	(673,316)
	1,361,202	(119,729)

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

15. LEASING AGREEMENTS

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

	2020	2019
	£	£
Within one year	80,900	75,900
Between one and five years	141,575	208,725
	222,475	284,625

Lease payments during the year were £80,900 (2019: £75,900).

16. FINANCIAL INSTRUMENTS

	2020	2019
	£	£
Financial assets measured at amortised cost:		
Debtors	7,341,255	11,740,999
Cash at bank	1,361,202	-
	8,702,457	11,740,999
Financial liabilities measured at amortised cost:		
Creditors	5,575,572	6,599,604
Bank overdraft	-	119,729
	5,575,572	6,719,333

17. PROVISIONS FOR LIABILITIES

	Provision for Dilapidations
	£
At 1 January 2020	87,004
Released during the year	-
At 31 December 2020	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 2023.

18. CALLED UP SHARE CAPITAL

Authorised share capital

	2020 £	2019 £
Ordinary shares of £1 each	5,000,000	100
Additional ordinary shares of £1 each	-	4,999,900
	5,000,000	5,000,000

Allotted, called up and fully paid

	2020 £	2019 £
Ordinary shares of £1 each	2,000,090	90
Additional ordinary shares of £1 each	-	2,000,000
	2,000,090	2,000,090

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.

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 Quay, 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 Group AS. The financial statements are available upon request from DNV (Corporate Communications), 1322 Høvik, Norway and published online at https://annualreport.dnv.com/.