

Currie & Brown UK Limited

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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Currie & Brown UK Limited
Financial statements for the year ended 31 December 2021

Company Information

Directors	W Allan D Ross N G Brierley N K Gray L A Barr
Company Secretary	S Hogg
Registered Number	01300409
Registered Office	40 Holborn Viaduct London EC1N 2PB
Auditors	Deloitte LLP 2 New Street Square London EC4A 3BZ
Bankers	HSBC Bank Plc 8 Canada Square London E14 5HQ

Currie & Brown UK Limited
Financial statements for the year ended 31 December 2021

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Strategic report

The directors present their strategic report for the year ended 31 December 2021.

Principal activities

The principal activity of the Company during the year was that of construction consultancy, cost and project management, primarily in the UK.

Review of the business and future developments

The results for the year are set out in the financial statements herein.

Having negotiated the initial waves of the coronavirus pandemic in 2020, the Company emerged well placed to operate successfully through 2021. This year has seen the business grow as restrictions continue to be eased and trading is now ahead of pre pandemic levels. Turnover has increased to £64,835,000 (2020: £55,855,000) and profit before tax for the year was £5,285,000 (2020: £3,002,000). Whilst 2021 saw subsequent waves of the virus the impact was mitigated by the Company's strong client base, particularly in the public sector which sees the business in a strong position going into 2022.

Management continues to monitor the impact of various political and economic risks and to adjust its operating plan where necessary. The most significant of these in 2021 was the impact of the coronavirus pandemic and the resulting economic uncertainty. The impact of Brexit in business has largely been absorbed with no major adverse implications to date, however, the strength of the construction sector has resulted in resource constraints across the industry. We continue to focus on ensuring that our employee proposition remains compelling.

The UK market in 2022 has been affected by global macroeconomic uncertainties. We anticipate continued high inflation accompanied by higher borrowing costs which may weaken demand and construction output will continue into 2023. Our strategy will therefore focus on leveraging Currie & Brown's capability in services such as programme management across our four, core market sectors.

The war in Ukraine, which occurred subsequent to the year end, has resulted in new and changed sanction regimes particularly in the UK. We have considered the impact of this on our client base and made necessary changes. This has not had a significant impact on our business.

Coronavirus

As mentioned above, the impact of Coronavirus on trading in 2021 has been less significant. Management continues to monitor the impact of the pandemic on the Company and is resolved to take further action should this be necessary.

Strategic report (continued)

Key performance indicators

Key performance measures have been identified to monitor the delivery of the company's objectives and include turnover growth, growth in gross and net margins, cash generation and training delivery and uptake. These measures have been chosen as they focus around the volume and quality of work delivered.

	2021 £ 000's	2020 £000's	Change in period
Revenue	64,835	55,855	16.1%
Gross profit	15,167	12,937	17.2%
Gross margin	23.4%	23.2%	0.2 pp
Operating profit	5,452	3,185	71.2%
Operating margin	8.4%	5.7%	2.7 pp
Cash	4,672	7,491	-£2,819k

The Company's cash balances reduced in the year primarily due to the repayment of tax liabilities that had been deferred as set out in note 5 to the financial statements.

The company continues to invest in training in order to deliver on its aim of upskilling its staff, whether that be via internal training programs or the use of third parties to support its annual intake of graduate staff through master's degrees, and subsequent training to achieve professional qualification.

Principal risks and uncertainties

During the year, the company operated as part of the Currie & Brown group of companies (the 'group'), and the directors identified the risks below. There have been no significant changes to these risks in the year apart from in relation to the pandemic.

Coronavirus risk

As above, the directors' started to see evidence of a significant impact of the Covid-19 pandemic on operations in early 2020. In late January 2020, a committee was formed which included participants from the operational executive from each region and central services including group heads of our People & IT teams. Immediate measures were put in place to protect our people welfare and to agree actions that would minimise the impact of the pandemic on our respective regional businesses as the virus spread globally. Alongside measures to protect trading outlined above, the committee agreed actions in relation to temporary office closures, facilitating home working and ensuring all our people understood health and safety aspects of visiting client sites and premises. This approach has allowed the business to operate effectively as circumstances changed through 2021. The committee continues to review the Group's current and future exposure to Covid-19, taking mitigation actions considered appropriate.

Delivery risk

Key to the success of our business is the ability to perform and deliver contracted services as required by our clients. The company manages this in accordance with cost and service quality requirements by implementing controls to monitor project progress and profitability. Furthermore, the Company invests in training and development of its employees and regularly reviews each individual's training requirements.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Credit risk with clients

In order to manage credit risk relating to late or non payment by clients, all significant new clients are required to be referred to the Company's credit control function for a financial reference. In addition, the credit control function reviews overdue balances on a daily, weekly and monthly basis. The Company's management also monitor the ageing of trade receivables regularly and follow up with the relevant business operating unit on overdue balances. Ongoing risk exposure is mitigated through the credit control process, setting credit limits and regular review of clients and trade receivable balances.

Financial risk management and objectives and policies

Financial risk factors

The Company's activities expose it to a variety of financial risks; currency risk credit risk, liquidity risk and pension risk. The Company's overall risk management programme seeks to minimise potential adverse effects on the Company's performance. There were no changes made in the objectives, policies or processes for managing financial risks during the years ended 31 December 2021 and 2020.

Currency risk

Foreign exchange risk arises from a small proportion of commercial transactions undertaken in currencies other than the local functional currency and from financial assets and liabilities denominated in currencies other than the local functional currency. In addressing foreign exchange risk, transaction exposures, including those associated with forecast transactions, are hedged when known, by holding designated foreign currency cash balances against future known commitments.

Credit risk

Credit risk is the risk of financial loss if a client fails to meet an obligation under a contract. Credit risk arises primarily from trade receivables and mitigating actions taken are discussed above.

Liquidity risk

The Company funds its activities through cash generated from its operations and intercompany balances. Cash flow forecasting is performed and monitored to ensure the Company has sufficient cash to meet operational needs and commitments as they fall due. The company seeks to manage liquidity risk by ensuring sufficient liquidity (including allowances for contingencies) is available to meet foreseeable needs by recourse to inter-company funding available via the parent undertaking if necessary.

Pension risk

The company operates a funded defined benefit pension scheme which was closed to new members in 1999 and for which benefits for existing members ceased to accrue in 2003. The size of the company's legacy pension obligations is typically related to changes in the long-term outlook for interest rates, inflation and life expectancy. The size of the obligations could also be adversely influenced by regulatory or legislative changes. The company constructively engages with the trustees of the pension scheme to ensure that the assets and liabilities of the scheme are managed in a way which seeks to reduce the likelihood of unexpected costs to the company.

Strategic Report (continued)

Directors' statement of responsibilities under Section 172 Companies Act 2006

The directors are cognisant of their duties under Section 172 of the Companies Act 2006 in their deliberations and decisions on all matters affecting the company. Decisions made by the directors take into account the interests of all key stakeholders and reflect the directors' belief that the long term sustainable success of the company is linked directly to its key stakeholders.

Long term approach

The directors are focused on the success of the company over the long term through the implementation of a long term strategy for the company to develop in key targeted offerings where the company can bring a strong value proposition, leveraging its strengths. The directors regularly review performance, opportunities and risks in the markets that the Company operates in to ensure it is focused on those areas that will deliver the best returns.

Reputation for high standards of business conduct

Ethical business is part of the Company's wider focus to be a responsible and committed employer and business partner. The directors ensure that the Company implements procedures and awareness training which reflect the requirements of UK legislation such as the Bribery Act and Modern Slavery Act, as well as the wider Group compliance procedures. The Company is committed, in its day-to-day operations to uphold high standards of business conduct and integrity.

People

During the year, the directors' priority was the health and wellbeing of its employees, while at the same time safeguarding the company to ensure it was well placed to prosper post pandemic.

The business moved seamlessly to a work at home solution in 2020. This enabled staff flexibility during uncertain times to allow them to meet demands outside of work. Through 2021 as restrictions were lifted the business moved to a hybrid working model. To ensure continuing communication, regular meetings are held between local management and employees to allow a free flow of information and ideas which for example has helped develop local training.

The Board of directors oversee a continual program of staff training and development, starting with recruitment of apprentices and graduates, provision of pre and post qualification training to all staff and ongoing professional mentorship and this has continued throughout the year while staff are remote working. People are encouraged to present their suggestions for continual improvement of business processes.

In addition, the directors ensure pay across genders at all levels of the business is equal.

Suppliers

The Board encourages strong, long term supplier relationships to allow the business to provide an excellent service to our clients. Key supplier contracts are discussed by the Board as appropriate. The directors commit to treating all suppliers fairly, supplier payment practices are discussed at board level, the results of which have driven system and process improvements. There were no specific changes made to systems and processes in the current year.

Strategic Report (continued)

Directors' statement of responsibilities under Section 172 Companies Act 2006 (continued)

Customers

Our continued success is due to our ability to maintain focus on and a disciplined approach to supporting clients in the key service areas of cost and project management, advisory services and building surveying. We routinely undertake client satisfaction surveys, the feedback received is cascaded through business from board level and any necessary actions that result are reported and measured. During the pandemic we worked with clients to adapt to their changing requirements and continue to do so as the position changed through 2021 and beyond.

The directors take a hands on approach to client engagement and our services are underpinned by traditional values, a commitment to excellence and innovation, and staff loyalty. We leverage our global experience to achieve tangible benefits that inspire confidence and consistently deliver added value for our clients.

Society and the environment

The company is a market leader in construction and asset management and our understanding of the need for sustainability and how these issues relate to our core services is a fundamental part of our approach to project delivery. The Directors encourage environmental best practice in our advice to clients and supporting clients, consultants and contractors in considering sustainable buildings, materials, products and construction methodologies. We protect the environment and reduce any pollution impacts associated with our business activities, embracing the principles of 'reduce – reuse – recycle'. The Directors are responsible for the implementation of this policy on the projects and within offices under their management and ensuring that this policy is brought to the notice of all employees.

During the year working groups were formed and planning was started regarding the business' plan to pledge a more sustainable way of operating under the Net Zero Carbon initiative which the Company signed up to in 2021. It was announced in 2022 that a tree would be planted for each employee which globally across the Currie & Brown group would offset more than 50 tons of carbon.

Parent and Other Group Companies

The Company's Chief Operating Officer chairs a committee whose purpose is to ensure greater collaboration between companies with the same ultimate parent. During the pandemic, solutions and best practice have been shared across the group to enable all teams to quickly react to the changing environment.

The Company also seeks to increase trade within the Currie & Brown group of companies and has seen intra group trade and bidding increase.

On behalf of the Board



N K Gray
Director
29 September 2022

Directors' Report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2021.

As permitted by legislation, the following information and disclosures that are required under company law are included in the Strategic Report and are incorporated into this report by reference:

- review of the performance and future developments of the Company
- principal risks and uncertainties
- financial risk management and objectives and policies
- engagement with suppliers, customers and others as set out in the Directors statement of responsibilities under Section 172 Companies Act 2006

The Company has no branches.

Directors

The directors who served the company during the year and up to the date of this report are set out below.

D J Ward (resigned 31 December 2021)
W Allan
A J Manuel (resigned 31 December 2021)
S N McEwan (resigned 27 May 2021)
D Ross
N G Brierley
M S Syrett (resigned 18 March 2022)
N K Gray (appointed 1 December 2021)
L A Barr (appointed 18 February 2022)

Dividends

The directors do not recommend payment of a dividend (2020: £nil). No dividends were paid in the year (2020: £nil).

Indemnity insurance

The group has purchased insurance for the directors and officers of the company against liability arising for wrongful acts in relation to the company, subject to the conditions set out in s234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the Directors' report.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the company's profit-sharing schemes.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Directors' Report (continued)

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Going concern

In preparing these financial statements on the going concern basis, the directors note that the company has access to the financial resources of its intermediate parent undertaking, CBH. CBH has confirmed its ongoing financial support in writing for the period at least up to 30 September 2023.

The uncertainty as to the future impact on the Group headed by CBH of the ongoing pandemic and war in Ukraine has been considered as part of the Company's adoption of the going concern basis. The Group performed a number of downside scenarios on its cash-flow forecasts for the period to 30 September 2023 to consider the potential impact of these issues on the results of the Group, making assumptions around reduced revenue and also reduction in expenditure. The Group is confident that it can take sufficient mitigating action, where necessary, to ensure that resources remain sufficient over the forecast period and that it has adequate resources to continue operations and provide financial support to Currie & Brown UK Limited, should it be required to 30 September 2023. This support has been confirmed in writing.

The directors have a reasonable expectation therefore, that the company, in light of the immediate parent company's support, has adequate resources to continue operations for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Environment and sustainability

In accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the directors present their energy and carbon report of Currie & Brown UK Limited for the financial year ended 31 December 2021. The Greenhouse Gas Protocol Corporate Greenhouse Gas Accounting and Reporting Standard has been used as the methodology for the SECR calculations.

During 2021, the Company signed up to the WorldGBC's net-zero carbon buildings commitment. For our business this means we are committed to the following targets:

- Only occupying assets that are net zero carbon in operation by 2030
- Achieving net zero embodied carbon in major refurbishments and new assets by 2030
- Compensating for any residual operational and upfront embodied emissions that cannot be mitigated by 2030
- Advocating for all buildings to be whole-life net zero carbon in operation by 2050

A net zero carbon reporting group has been established to deliver this commitment and support our company wide sustainability values. Projects that have been implemented or completed in the year include sustainability training for all staff, adoption of net zero guidelines for all new office leases and a move to virtual meetings where appropriate.

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Financial statements for the year ended 31 December 2021

Directors' Report (continued)

Environment and sustainability (continued)

Emissions source		Year to 31	Year to 31
		December 2021	December 2020
Scope 1	Natural gas	105	96
Scope 2	Electricity	114	109
Scope 3	Road transport	187	174
Total tCO2e		406	379
Total energy usage kWh		1 872 994	1 687 373
Intensity ratio	tCO2e per £m of turnover	6.26	6.79

Due to the global pandemic our emissions in 2020 from energy consumption and travel reduced due to the shift to homeworking, site closures and travel restrictions. In unoccupied offices procedures were put in place to minimise energy consumption whilst continuing to meet health and safety requirements. Through 2021 these restrictions began to ease and our emissions increased as offices were increasingly occupied and business travel resumed. In the same period our business grew at a greater rate than our emissions and as such for the year ended 31 December 2021 our intensity ratio has fallen to 6.28.

Auditor

Following the resignation of Ernst & Young LLP in 2021, Deloitte LLP were appointed as auditors to the Company. Deloitte LLP will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

Post balance sheet events

There are no significant post balance sheet events.

On behalf of the Board



N K Gray
Director
29 September 2022

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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.

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Currie & Brown UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Currie & Brown UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of other comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

Independent auditor's report to the members of Currie & Brown UK Limited (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's operating licence and environmental regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax, and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

Recognition of revenue over time on fixed price contracts

Management is required to make certain estimates when recognising revenue over time on fixed price contracts depending on the stage at which performance obligations to customers are satisfied.

Our procedures to address this risk focussed on those fixed price contracts that demonstrated specific characteristics of audit interest. For those contracts, we performed the following audit procedures:

- Understood the process and relevant controls for recognising revenue using the input method and tested the design and implementation of those relevant controls.
- Understood the key terms of the contracts reviewing the signed agreements with customers
- Discussed the performance of the contracts with the project managers to understand progress against project budgets, changes to margins, existence of significant variations to the contracts (instructed or otherwise) and the existence of any events that may give rise to onerous contract provisions.
- Reperformed calculations of the revenue recognised for a sample of months using approved timesheets and agreed rates traced to contract, investigating differences, if any were identified.
- Obtained the invoices raised after the 31 December 2021 year end, and compared them to the revenues accrued and, where relevant, inspected the bank statements for subsequent payments received.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

Use of our report

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.

Chris Donovan (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
30 September 2022

Currie & Brown UK Limited
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Income statement and statement of other comprehensive income

	Notes	<u>2021</u> £000's	<u>2020</u> £000's
Turnover	3	64,835	55,855
Cost of sales		<u>(49,668)</u>	<u>(42,918)</u>
Gross profit		15,167	12,937
Other operating income	5	66	768
Administrative expenses		<u>(9,781)</u>	<u>(10,520)</u>
Operating profit	4	5,452	3,185
Interest payable and similar expenses	9	(167)	(200)
Interest receivable and similar income	8	-	17
Profit before income tax		<u>5,285</u>	<u>3,002</u>
Income tax	10	<u>(381)</u>	<u>(70)</u>
Profit for the year		<u><u>4,904</u></u>	<u><u>2,932</u></u>

All of the activities of the company are classed as continuing.

Other comprehensive income/(expense)

Remeasurement gain/(loss) on defined benefit pension scheme (not to be reclassified to profit and loss in subsequent periods)	18	477	(421)
Deferred tax thereon	10	<u>(23)</u>	<u>62</u>
Other comprehensive income/(expense) for the year		<u>454</u>	<u>(359)</u>
Total comprehensive income for the year		<u><u>5,358</u></u>	<u><u>2,573</u></u>

The notes on pages 17 to 46 form part of these financial statements.

Currie & Brown UK Limited
Financial statements for the year ended 31 December 2021

Statement of financial position

	Notes	2021	2020
		£000's	(restated*) £000's
Non-current assets			
Goodwill	13	11,267	11,267
Right of use assets	19	1,704	3,917
Property, plant and equipment	12	595	849
Other long-term assets	14	25,933	21,906
		39,499	37,939
Current assets			
Trade and other receivables	15	18,604	16,670
Cash at bank and in hand		4,672	7,491
Total current assets		23,276	24,161
Current liabilities			
Trade and other payables	16	(12,770)	(15,424)
Net current assets		10,506	8,737
Total assets less current liabilities		50,005	46,676
Non-current liabilities			
Lease liabilities	17	(1,205)	(2,488)
Retirement benefit obligation	18	(1,129)	(1,875)
Net assets		47,671	42,313
Capital and reserves			
Called up share capital	20	37,059	37,059
Retained earnings		10,612	5,254
Equity shareholders' funds		47,671	42,313

The financial statements were authorised for issue by the board of directors on 29 September 2022 and were signed on its behalf.



N K Gray
 Director, 29 September 2022

The notes on pages 17 to 46 form part of these financial statements.
 *See note 23 for details of the prior year restatement.

Currie & Brown UK Limited
Financial statements for the year ended 31 December 2021

Statement of changes in equity

	Share capital	Retained earnings	Total
	£000's	£000's	£000's
As at 1 January 2020	37,059	2,681	39,740
Profit for the year	-	2,932	2,932
Other comprehensive expense for the year	-	(359)	(359)
As at 31 December 2020	37,059	5,254	42,313
As at 1 January 2021	37,059	5,254	42,313
Profit for the year	-	4,904	4,904
Other comprehensive income for the year	-	454	454
As at 31 December 2021	37,059	10,612	47,671

The notes on pages 17 to 46 form part of these financial statements.

Notes to the financial statements

1. Authorisation of financial statements and statement of compliance with FRS 101

Currie & Brown UK Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is 40 Holborn Viaduct, London, EC1N 2PB.

The Company's financial statements are presented in Pounds Sterling, which is also the Company's functional currency, and to the nearest thousand (£'000).

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Currie & Brown Holdings Limited. These financial statements present information about the company and not its group.

The results of the Company are included in the consolidated financial statements of Currie & Brown Holdings Limited, which are available from 12 Dumaresq Street, St Helier, Jersey, JE2 3RL.

The principal accounting policies adopted by the Company are set out in Note 2.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Company are prepared in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The financial statements have also been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to FRS 101.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, except as described in note 23 in relation to the presentation of intercompany balances.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2021.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 *Financial Instruments: Disclosures*;
- (b) the requirements of paragraph B67 *IFRS 3 Business Combinations*
- (c) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*;
- (d) the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
 - (i) Paragraph 79(a) of IAS 1;
 - (ii) Paragraph 73(e) of IAS 16 *Property, Plant and Equipment* and;
 - (iii) Paragraph 118(e) of IAS 38 *Intangible Assets*.
- (e) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 IAS 1;
- (f) the requirements of IAS 7 *Statement of Cash Flows*;
- (g) the requirements of paragraphs 30-31 of IAS 8 *Standards issued but not yet effective*;

Notes to the financial statements

2. Accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

- (h) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) – 134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*; and
- (j) The requirements of the second sentence of paragraph 110 and paragraphs, 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 *Revenue from Contracts with Customers*.

Going concern

In preparing these financial statements on the going concern basis, the directors note that the company has access to the financial resources of its intermediate parent undertaking, CBH. CBH has confirmed its ongoing financial support in writing for the period at least up to 30 September 2023.

The uncertainty as to the future impact on the Group headed by CBH of the ongoing pandemic and war in Ukraine has been considered as part of the Company's adoption of the going concern basis. The Group performed a number of downside scenarios on its cash-flow forecasts for the period to 30 September 2023 to consider the potential impact of these issues on the results of the Group, making assumptions around reduced revenue and also reduction in expenditure. The Group is confident that it can take sufficient mitigating action, where necessary, to ensure that resources remain sufficient over the forecast period and that it has adequate resources to continue operations and provide financial support to Currie & Brown UK Limited, should it be required to 30 September 2023. This support has been confirmed in writing.

The directors have a reasonable expectation therefore, that the company, in light of the immediate parent company's support, has adequate resources to continue operations for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.2 Changes in accounting policies and disclosures

New and amended standards and interpretations effective for annual periods beginning on or after 1 January 2021:

Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021—Amendment to IFRS 16

In the prior year, the Company adopted Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In March 2021, the Board issued Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

Notes to the financial statements

2. Accounting policies (continued)

2.2 Changes in accounting policies and disclosures (continued)

In the current financial year, the Company has applied the amendment to IFRS 16 (as issued by the IASB in May 2021) in advance of its effective date. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification. The standard has no material impact on the financial statements.

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7

In the prior year, the Company adopted the Phase 1 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Company adopted the Phase 2 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Company to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Company has not restated the prior period.

The Company has no formal hedge accounting and therefore, the standard has no impact on the financial statements.

2.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, financial assets and liabilities and disclosure of contingent liabilities. However, the nature of estimation means that actual outcomes could differ from the estimates.

Critical judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition

Under IFRS 15, the Company is required to interpret contracts with Clients' such that performance obligations are clearly defined and revenue recognition is appropriately allocated to each performance obligation. If contractual positions on material contracts are misinterpreted for the purpose of defining performance obligations, it could have a significant impact on the financial statements.

Key sources of estimation uncertainty

The Company does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notwithstanding this, as a significant portion of the Company's activities are undertaken through longer term contracts, the Company is required to make estimates in accounting for revenue. These estimates may depend on the outcome of future events and may need to be revised as circumstances change. Further detail is provided in note 2.4(a).

Notes to the financial statements

2. Accounting policies (continued)

2.4 Significant accounting policies

a) Revenue and cost recognition

Rendering of services

The company is in the business of providing cost management, project management, building surveying, PFI/PPP services, asset management and other associated advisory services. Revenue from contracts with customers is recognised when services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those services over time. The company acts as the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

The Company has concluded that for all of its contracts with customers, it is either creating or enhancing an asset controlled by the customer. Therefore, it meets the criteria to recognise revenue over time and measure progress of its projects through the cost to complete method (input method) as it best depicts the transfer of control of products and services under each performance obligation.

The Company's contracts generally consist of a single performance obligation or series of distinct services which in substance represent a single performance obligation. Contracts with multiple performance obligations have pre-agreed consideration for each performance obligation reducing the need to manually allocate transaction price using stand-alone selling prices.

Interim milestones may be agreed as staged payments for single or multiple performance obligations. Once these milestones are signed off by clients we will invoice and our general terms and conditions will trigger due dates for these payments. As we invoice clients contract asset / liability values reduce in accordance with invoicing values.

Applying the input method

IFRS 15 provides two alternative methods for recognising revenue i.e. the output method or the input method. The Company decided to adopt the input method since it faithfully depicts the Company's performance in transferring control of the goods and services to the customer, provides meaningful information in respect of satisfied and unsatisfied performance obligations towards the customer and also enables management to better analyse estimation accruals. Contract contingency is a component of the cost-to-complete estimate which makes allowance for known and unknown risks associated with the project.

Variable consideration

Under IFRS 15 management decided to use the expected value approach to assess / re-assess variable consideration at contract inception and at each reporting date.

Notes to the financial statements

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

b) Foreign currency translation

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 functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the statement of profit and loss and comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

c) Goodwill

Goodwill arising on the acquisition of businesses and a hive down of trade and assets represents the excess of the fair value of the consideration given for a business over the Company's interest in the fair value of the net identifiable assets and liabilities of the acquired business.

Goodwill is initially measured at cost being the excess of the aggregate of the acquisition-date fair value of the consideration transferred over the net identifiable amounts of the assets acquired and the liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units (or groups of cash generating units) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which goodwill is allocated shall represent the lowest level at which the goodwill is monitored for internal management purposes.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Departure from company law

The UK Companies Act requires goodwill to be reduced by provisions for amortisation on a systematic basis over a period chosen by the directors, that is a finite useful economic life. However, under FRS 101, goodwill is not amortised. Consequently, the Company does not amortise goodwill but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The Company is therefore invoking a 'true and fair view override' to overcome the prohibition on the non-amortisation of goodwill in UK company law. If this departure from company law had not been made, the profit for the financial year would have been reduced by the amortisation of goodwill. However, the Company is not able to reliably estimate the impact on the financial statements of the true and fair override on the basis that the useful life of goodwill cannot be predicted with a satisfactory level of reliability.

Notes to the financial statements

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all items property, plant and equipment on a straight-line basis over their expected useful lives as follows:

Computers and machinery	- over 3 years
Furniture and equipment	- over 5 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

Items of property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the statement of profit and loss and other comprehensive income in the period of derecognition.

e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the statement of profit and loss and other comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the statement of profit and loss and other comprehensive income, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

Notes to the financial statements

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

f) Leases

The Company has applied IFRS 16 – leases effective 1 January 2019. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies under 'Impairment of non-financial assets.'

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a break or termination option within one year). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value (value of £3,000 or less when new). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the financial statements

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

g) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

The Company's financial assets include trade debtors, amounts recoverable on contracts, cash and amounts owed by Group undertakings.

Initial recognition and subsequent measurement

Financial assets are classified at initial recognition depending on the Company's business model for managing them. The Company has initially measured all financial assets at fair value except for the trade receivables which does not contain a significant financing component and therefore measured at the transaction price determined under IFRS 15. Refer to the accounting policies on revenues from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Transaction costs that are directly attributable to the acquisition of financial assets or issue of financial liabilities (other than on financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or issue financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss and comprehensive income.

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent measurement:

All recognised financial assets are classified and subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Company has subsequently measured all its financial assets at amortised cost.

Notes to the financial statements

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

(g) Financial instruments (continued)

Financial assets at amortised cost:

Financial assets are measured at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in consolidated statement of profit or loss and comprehensive income when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include trade and other amounts receivable (excluding contract assets and prepaid expenses), amounts due from related parties, other financial assets and bank balances.

Expected credit loss allowance

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

The amount of expected credit losses is updated at each reporting date. The reassessment of expected credit losses does not have any material impact.

The Company recognises lifetime expected credit losses for trade receivables and contract assets which generally do not have a significant financing component. The expected credit losses on these assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime expected credit losses represent the expected credit losses that will result from all possible default events over the expected period to settlement of a trade receivable and contract assets.

For all other financial assets, including amount owed by Group undertakings and other related parties, the Company monitors and assesses whether there has been any significant increase in credit risk since initial recognition. If there has been any significant increase in credit risk, the Company measures the loss allowance based on the lifetime expected credit loss model. However, based on the nature of the balance, history of default and confirmation from the ultimate parent entity, the Company has not made any expected credit loss allowance in respect of these balances.

The measurement of expected credit losses is a function of the probability of default, the anticipated loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract at the accounting period end and all the cash flows that the Company expects to receive, discounted at the original effective profit rate.

Notes to the financial statements

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

(g) Financial instruments (continued)

Expected credit loss allowance (continued)

The Company considers a financial asset in default when contractual payments are past due for more than specified period depending on the type of contract and the period of default ranges between 120 to 180 days. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company recognises an impairment loss in the consolidated statement of profit or loss and comprehensive income for all financial assets at amortised cost with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership but it does not retain control of the financial asset.

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

Financial liabilities

The Company's financial liabilities include lease liabilities and trade and other payables (excluding contract liabilities).

Initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or loans and borrowings, as appropriate. Refer to the accounting policy on leases for the initial recognition and measurement of lease liabilities, as this is not in the scope of IFRS 9.

All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the consolidated statement of profit or loss and comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Accounts payable and other liabilities are recognised for amounts to be paid in the future for goods or services received at the date of the statement of financial position, whether billed by the supplier or not.

Notes to the financial statements

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Refer to the accounting policy on lease for the subsequent measurement of finance lease liabilities, as this is not in the scope of IFRS 9.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss and comprehensive income.

Offsetting of financial instruments:

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

h) Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Notes to the financial statements

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

i) Pension benefits

The Company operates a defined benefit pension plan, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation:

- Service costs comprising past service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

j) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits, i.e. those with a maturity period of less than three months.

k) Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions have been complied with. If conditions are attached to the grant which must be satisfied before the Company is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. The amount of grant is recorded as other operating income.

l) Borrowing costs

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

Notes to the financial statements

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

n) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. Turnover

Turnover by geographical area	<u>2021</u> £000's	<u>2020</u> £000's
Middle East	105	357
Americas	274	-
Asia	17	-
Europe	<u>64,439</u>	<u>55,498</u>
	<u>64,835</u>	<u>55,855</u>

Management expects that 53% of the transaction price allocated to the unsatisfied contracts as of the year ended 2021 will be recognised as revenue during the next reporting period. The remaining 21% will be recognised in the 2023 financial year and 14% in the 2024 financial year and 12% in the 2025 financial year.

The following table shows how much of the revenue recognised in the current accounting period relates to carried forward contract liabilities:

	<u>2021</u> £000's	<u>2020</u> £000's
Revenue recognised that was included in the contract liabilities at the beginning of the period	368	135
Rendering of services	<u>64,467</u>	<u>55,720</u>
	<u>64,835</u>	<u>55,855</u>

The Company has recognised the following assets and liabilities related to contracts with customers:

	<u>2021</u> £000's	<u>2020</u> £000's
Contract assets	6,606	6,727
Contract liabilities	409	368

Notes to the financial statements (continued)

4. Operating profit

Operating profit is stated after charging:

	<u>2021</u>	<u>2020</u>
	<u>£000's</u>	<u>£000's</u>
Depreciation of property and equipment (Note 12)	433	462
Depreciation of right of use assets (Note 19)	1,875	1,418
Net foreign currency exchange losses	17	34
Provision for impairment of receivables		
increase/(decrease) in provisions	99	(33)
release of provisions	-	(89)

5. Other operating income

	<u>2021</u>	<u>2020</u>
	<u>£000's</u>	<u>£000's</u>
Government grants	<u>66</u>	<u>768</u>

Income from Government grants as a result of the COVID-19 pandemic has been recognised in other income and relate to the Coronavirus Job Retention Scheme. All eligibility criteria have been met and there are no unfulfilled conditions or other contingencies attached to these grants. In addition, the company benefited from the deferral of tax payments, although this did not result in additional income. The Company did not benefit directly from other forms of government assistance. Government grant income is offset by the cost of retaining additional staff and access to the grants has been made possible by retaining these staff.

6. Auditor's remuneration

The fee for the audit of the Company's financial statements for the year was £86,510 (2020: £88,426). The Company has also borne the audit fees in respect of the statutory audits of fellow group companies of £49,622 (2020: £12,068).

Fees due to the auditors for non-audit services for the year ended 31 December 2021 totalled £nil (2020: £nil).

Notes to the financial statements (continued)

7. Staff costs and directors' remuneration

(a) Staff Costs

	<u>2021</u>	<u>2020</u>
	£000's	£000's
Wages and salaries	33,181	29,138
Social security costs	3,368	2,916
Other pension costs	1,687	1,527
	<u>38,236</u>	<u>33,581</u>

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

	<u>2021</u>	<u>2020</u>
	No.	No.
Fee earning staff	545	460
Administrative staff	52	64
	<u>597</u>	<u>524</u>

(b) Directors' remuneration

	<u>2021</u>	<u>2020</u>
	£000's	£000's
Wages and salaries	1,260	1,042
Social security costs	152	138
Employer pension contributions	76	106
	<u>1,488</u>	<u>1,286</u>

In respect of the highest paid director:

Aggregate remuneration	412	308
Employer pension contributions	31	30

The highest paid director is not a member of the defined benefit pension scheme (see note 18).

The number of directors who are accruing benefits under company pension schemes as at 31 December 2021 was as follows:

	<u>2021</u>	<u>2020</u>
	No.	No.
Defined contribution scheme	<u>4</u>	<u>7</u>

Notes to the financial statements (continued)

8. Interest receivable and similar income

	<u>2021</u> £000's	<u>2020</u> £000's
Interest receivable and similar income	-	17

9. Interest payable and similar expenses

	<u>2021</u> £000's	<u>2020</u> £000's
On lease liabilities	153	187
Other interest payable	14	13
	<u>167</u>	<u>200</u>

10. Taxation

(a) Tax charged in the income statement

	<u>2021</u> £000's	<u>2020</u> £000's
Current income tax:		
Current income tax charge	498	-
Adjustment in respect to prior years	-	38
Total current income tax	<u>498</u>	<u>38</u>
Deferred tax:		
Origination and reversal of temporary differences	28	20
Adjustment in respect to prior years	(79)	12
Impact of change in tax laws and rates	(66)	-
Total deferred tax (credit)/charge	<u>(117)</u>	<u>32</u>
Tax charge in the income statement	<u>381</u>	<u>70</u>

Notes to the financial statements (continued)

10. Taxation (continued)

(b) Tax relating to items charged or credited to other comprehensive income

	<u>2021</u> £000's	<u>2020</u> £000's
Current tax:		
Tax on defined benefit pension plans	-	-
Total current income tax	-	-
Deferred tax:		
Actuarial losses/(gains) on defined benefit pension plans	23	(62)
Tax charge/(credit) in the statement of other comprehensive income	<u>23</u>	<u>(62)</u>

(c) Reconciliation of the total tax charge

The tax charge in the income statement for the year is different from than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled below:

	<u>2021</u> £000's	<u>2020</u> £000's
Profit from continuing operations before taxation	5,285	3,002
Tax calculated at UK standard rate of corporation tax of 19% (2020: 19%)	1,004	570
Expenses not deductible for tax purposes	41	22
Group relief	(519)	(554)
Adjustment due to movements in OCI	-	(18)
Tax adjustment in respect to prior years	(79)	50
Change in tax laws and rates	(66)	-
Total tax charge reported in statement of profit and loss	<u>381</u>	<u>70</u>

Currie & Brown UK Limited
Financial statements for the year ended 31 December 2021

Notes to the financial statements (continued)

10. Taxation (continued)

(d) Recognised tax losses

The Company has utilised all of its losses brought forward against taxable income from the year. No losses are carried forward at 31 December 2021 (2020: £nil).

Deferred tax asset

The movement in deferred income tax assets and liabilities during the year, without taking into account the offsetting of balances within the same tax jurisdiction, is as follows:

	<u>2021</u>	<u>2020</u>
	£000's	£000's
Deferred tax asset		
At 1 January	687	657
Credit to income statement - current year	(28)	(12)
Adjustment in respect to prior years	79	(20)
Adjustments for rate changes	66	-
Credited to income statement in respect of the defined benefit pension scheme - current year	(23)	62
At 31 December	<u>781</u>	<u>687</u>
Deferred tax provided in the financial statements is as follows:		
Capital allowances in advance of depreciation	375	223
Other timing differences	124	108
Defined benefit pension scheme	<u>282</u>	<u>356</u>
	<u>781</u>	<u>687</u>

Currie & Brown UK Limited
Financial statements for the year ended 31 December 2021

Notes to the financial statements (continued)

10. Taxation (continued)

Deferred tax asset (continued)

Deferred tax assets	Accelerated Depreciation	Other timing differences	Pension Scheme	Total
	£000's	£000's	£000's	£000's
At 31 December 2020	223	108	356	687
Charged to income statement	(17)	40	(51)	(28)
Charged to other comprehensive income	-	-	(91)	(91)
Adjustment due to rate change	66		68	134
Adjustment in respect to prior years	103	(24)	-	79
At 31 December 2021	<u>375</u>	<u>124</u>	<u>282</u>	<u>781</u>

There are no unrecognised deferred tax assets as at 31 December 2021 (2020: £nil). The deferred tax asset in respect of capital allowances in advance of depreciation is expected to be recovered based on the company's current expected pattern of capital expenditure. The deferred tax asset in respect of other timing differences relates to bonus and other provisions which are expected to reverse within one year.

The standard corporation tax rate is 19%, and is reflected in these accounts in the current tax rate and the deferred tax movements that are expected to unwind in 2022. In the 2021 Budget the Chancellor announced that the corporation tax rate is set to increase to 25%, with effect from 2023, and has received royal assent and so it is considered substantial enactment as at the balance sheet date of these accounts. As such, the deferred tax balances which are set to unwind substantially beyond 2023 have been recognised at 25%. However, in the September 2022 Mini Budget it was announced that the increase to 25% would now not occur and the corporation tax rate would instead be held at 19%. This rate had not been substantively enacted at the balance sheet date, and as a result the deferred tax balances as at 31 December 2021 continue to be measured at the full 25% rate noted above. The estimated impact of the reversal of the corporation tax rate increase would be to reduce the deferred tax assets by £158k.

Notes to the financial statements (continued)

11. Investments

The Company owns 24% of the ordinary share capital of Rapiere Software Limited a company incorporated in England & Wales. The value of this investment is £24 (2020: £24). The directors do not believe that the Company is able to exert significant influence over Rapiere Software Limited.

The Company also holds 100% of the issued share capital of Currie & Brown Saudi Arabia Limited whose registered address is Verdun Building – Unit 215, Office 305-306, Third floor, 7775 King Fahd Road, Al Olaya District, PO Box 12212, Riyadh, Kingdom of Saudi Arabia. Further details of this investment are listed below.

	Investment amount	Company's interest	Class of shares held	Principal activity
Currie & Brown Saudi Arabia Limited	£1	100%	Ordinary	Construction consultancy

12. Property, plant and equipment	Furniture & Equipment £000's	Computer & Machinery £000's	Total £000's
Cost			
At 1 January 2021	1,868	1,331	3,199
Additions	3	176	179
At 31 December 2021	1,871	1,507	3,378
Depreciation			
At 1 January 2021	1,485	865	2,350
Depreciation charge for the year	183	250	433
At 31 December 2021	1,668	1,115	2,783
Carrying amount			
At 31 December 2020	383	466	849
At 31 December 2021	203	392	595

Currie & Brown UK Limited
Financial statements for the year ended 31 December 2021

Notes to the financial statements (continued)

13. Goodwill

	<u>Goodwill</u>
	£000's
Cost	
At 1 January 2021 and 31 December 2021	<u>11,267</u>
Carrying amount	
At 31 December 2020 and 31 December 2021	<u>11,267</u>

Goodwill arose on the acquisition of the assets and liabilities of Currie & Brown Widnell (SW) Limited and the transfer of the net assets of Sweett (UK) Limited, a fellow group undertaking, pursuant to a Business Transfer Agreement agreed during 2016. The goodwill transferred from Sweett (UK) Limited arose on its acquisition of the business formerly carried on by Sweett Group plc on 1 April 2008 and by the acquisition of Nisbet LLP, Nisbet Project Safety Limited and Roger Richards Partnership. The trades of each of these entities were integrated and formed the single trade of Sweett (UK) Limited, which was subsequently transferred to the Company. Due to the historic nature of these transactions, goodwill was initially recognised under old UK GAAP accounting standards, and on transition to FRS 101 the balance has been retained.

In assessing the impairment of goodwill, management have considered a cash generating unit at the combined UK and Europe level of the Group. The key assumptions used in value in use calculations are:

- Growth rates, including terminal rate used to extrapolate cashflows over the forecast period
- Discount rates
- Capital expenditure

Growth rates are based on management views on market opportunities and the outlook across relevant market sectors, both in the short-term for 2020 and 2021, and the longer term for 2022 onwards. A growth rate in perpetuity of 2% per annum for the UK and Europe cash generating unit has been used beyond the five-year forecast period. Management believes that underpinning the forecasts are significant opportunities in collaboration with the Company's ultimate parent and the CBH Group.

In assessing value-in-use, a discount rate of 8% was used. This represents an average of the current market assessment of the risks of the Company as a whole and is based on the specific circumstances of the Company.

14. Non-current assets: Other long-term assets

	<u>2021</u>	<u>2020</u>
	£000's	(restated) £000's
Amounts owed by group undertakings	<u>25,933</u>	<u>21,906</u>
	<u>25,933</u>	<u>21,906</u>

Amounts owed by fellow group undertakings are not expected to be paid in the next 12 months. The prior year figures are restated in relation to the presentation of amounts owed by group undertakings as set out in note 23.

Currie & Brown UK Limited
Financial statements for the year ended 31 December 2021

Notes to the financial statements (continued)

15. Trade and other receivables

	2021	2020
	<u>£000's</u>	<u>(restated)</u> £000's
Trade debtors	9,418	7,927
Amounts owed by group undertakings	826	569
Contract assets	6,606	6,727
Deferred tax (see note 10)	781	687
Other receivables	973	760
Trade and other receivables	<u>18,604</u>	<u>16,670</u>

Amounts due by group undertakings are interest free, unsecured and repayable on demand. The prior year figures are restated in relation to the presentation of amounts owed by group undertakings as set out in note 23.

The opening balance for the comparative period for trade debtors was £9,012,000 and contract assets was £7,256,000.

16. Trade and other payables

	2021	2020
	<u>£000's</u>	<u>£000's</u>
Trade payables	435	1,113
Lease liability (note 19)	922	1,702
Amounts owed to group undertakings	1,859	1,661
Other taxes and social security	3,267	5,363
Corporation tax	498	715
Other payables	574	607
Contract liabilities	409	368
Accruals	4,806	3,895
	<u>12,770</u>	<u>15,424</u>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

The opening balance for the comparative period for contract liabilities was £135,000.

Notes to the financial statements (continued)

17. Non-current lease liabilities

	<u>2021</u>	<u>2020</u>
	£000's	£000's
Lease liability (note 19)	1,205	2,488
	<u>1,205</u>	<u>2,488</u>

Notes to the financial statements (continued)

18. Retirement benefit obligations

	<u>2021</u>	<u>2020</u>
	£000's	£000's
Retirement benefit obligation		
At 1 January	1,875	1,551
Net interest cost on the net defined benefit liability	23	28
Actuarial loss	(477)	421
Contribution by employer	(292)	(125)
At 31 December	<u>1,129</u>	<u>1,875</u>

The liability above is in respect of the Cyril Sweett Group Pension Scheme which was acquired as part of the Sweett Group PLC acquisition in August 2016.

This funded defined benefit pension scheme was closed to new members from 1 January 1999 and with effect from 30 June 2003 Sweett Group plc stopped making contributions to the scheme for current members in respect of their future service. Contributions that previously would have been paid into the scheme are now being paid into the Sweett Group Personal Pension Scheme, which is a defined contribution pension scheme.

A full actuarial valuation of the scheme was carried out as at 30 June 2017 and an updated actuarial valuation was carried out at 31 December 2021 by an independent actuary, for the purposes of inclusion of information about the pension scheme in these financial statements. The main assumptions used by the actuary were:

	<u>2021</u>	<u>2020</u>
Discount rate	1.7%	1.3%
RPI price inflation	3.6%	3.0%
CPI price inflation	3.0%	2.2%
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions in payment	3.5%	2.9%
Statutory revaluation of deferred benefits	3.0%	2.2%

	<u>2021</u>	<u>2020</u>
Assumed life expectancies on retirement at age 65 are:		
Retiring today - males	23.0	22.9
Retiring today - females	24.6	24.4
Retiring in 20 years' time - males	23.3	23.9
Retiring in 20 years' time - females	25.0	25.5

Currie & Brown UK Limited
Financial statements for the year ended 31 December 2021

Notes to the financial statements (continued)

18. Retirement benefit obligation (continued)

Sensitivity analysis of actuarial assumptions:

	<u>2021</u>	<u>2020</u>
	<u>£000s</u>	<u>£000s</u>
Assumptions adjustment (increase/(decrease) in deficit)		
Discount rate before and after retirement decreased by 0.1%	286	292
Inflation increased by 0.1%	189	203
10% fall in non-cash based assets	777	692
Members assumed to live one year longer	1,015	962
Gap between RPI and CPI decreased (with CPI unchanged) by 0.1%pa	(175)	(191)

The assumptions used by management are best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice. The trustees of the Cyril Sweett Group Pension Scheme govern the defined benefit pension scheme.

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and are inherently uncertain, were:

Major categories of plan assets as a percentage of total assets	Value at 31 December 2021	
Equities (inc Property)	42.9%	7,769
Bonds	18.5%	3,355
Gilts	38.1%	6,912
Cash	0.5%	91
Total		<u>18,127</u>

Major categories of plan assets as a percentage of total assets	Value at 31 December 2020	
Equities (inc Property)	39.8%	6,916
Bonds	39.5%	6,866
Gilts	19.9%	3,463
Cash	0.8%	136
Total		<u>17,381</u>

Currie & Brown UK Limited
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Notes to the financial statements (continued)

18. Retirement benefit obligation (continued)

The amounts recognised in the balance sheet (£000s)	Value at 31 December 2021	Value at 31 December 2020
Present value of funded obligations	19,256	19,256
Fair value of plan assets	(18,127)	(17,381)
Net liability recognised in the balance sheet	<u>1,129</u>	<u>1,875</u>
Deferred tax	(282)	(356)
Net liability recognised in the balance sheet (post tax)	<u>847</u>	<u>1,519</u>
The amounts recognised in the income statement (£000s)		
Net interest cost	23	28
Total pension expense	<u>23</u>	<u>28</u>
The amounts in the statement of other comprehensive income (£000s)		
Net Remeasurement - due to experience	(25)	(141)
Net Remeasurement - due to demographic assumptions	(36)	-
Net Remeasurement - due to financial assumptions	(252)	(1,229)
Actuarial gain on plan assets	790	949
Deferred tax	(23)	62
Total gain/(loss) in statement of other comprehensive income	<u>454</u>	<u>(359)</u>
Changes in the present value of the defined benefit obligation (£000s)		
Defined benefit obligation at the start of the year	19,256	18,064
Interest expense	247	338
Actuarial gain	313	1,370
Benefits paid	(560)	(516)
Defined benefit obligation at the end of the year	<u>19,256</u>	<u>19,256</u>

Notes to the financial statements (continued)

18. Retirement benefit obligation (continued)

Changes in the fair value of plan assets	Value at 31 December 2021 £000s	Value at 31 December 2020 £000s
Fair value of plan assets at the start of the year	17,381	16,513
Interest income	224	310
Return on assets excluding interest income	790	949
Contributions by the employer	292	125
Benefits paid	(560)	(516)
Fair value of plan assets at the end of the year	<u>18,127</u>	<u>17,381</u>
Analysis of return on plan assets		
Interest income	224	310
Actuarial gain on plan assets	790	949
Return on plan assets	<u>1,014</u>	<u>1,259</u>

The contributions to be paid during the financial year to 31 December 2022 are expected to amount to £360,000 (2020: £292,000).

Unpaid pension contributions to the Company's defined contribution scheme as at 31 December 2021 were £280,000 (2020: £277,000).

19. Leases

The carrying amounts of right-of-use assets recognised and the movements during the period:

	<u>2021</u> £000's	<u>2020</u> £000's
As at 1 January 2021	3,917	3,298
Movement	(338)	2,037
Depreciation expense	(1,875)	(1,418)
As at 31 December 2021	<u>1,704</u>	<u>3,917</u>

Notes to the financial statements (continued)

19. Leases (continued)

The carrying amounts of lease liabilities and the movements during the period:

	2021	2020
	£000's	£000's
As at 1 January	4,190	3,525
Additions	(338)	2,037
Gain on modification	(149)	-
Accretion of interest	175	232
Payments	(1,751)	(1,604)
As at 31 December	2,127	4,190
Current (note 16)	922	1,702
Non-current (note 17)	1,205	2,488
	2,127	4,190

The following are the amounts recognised in profit or loss:

	2021	2020
	£000's	£000's
Depreciation expense of right-of-use assets	1,875	1,418
Interest expense on lease liabilities	175	200
Expense relating to short-term leases (included in operating costs)	-	90
Expense relating to leases of low-value assets (included in administrative expenses)	34	34
Total amount recognised in profit or loss	2,084	1,742

	2021	2020
	£000's	£000's
Cash outflow for leases	1,751	1,604

There are no future cash outflows relating to leases that have not yet commenced.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2021	2020
	£000's	£000's
Not later than one year	1,011	2,095
Later than one year and not later than five years	1,098	2,067
Later than five years	237	771
Total undiscounted lease payments	2,346	4,933

Currie & Brown UK Limited
Financial statements for the year ended 31 December 2021

Notes to the financial statements (continued)

19. Leases (continued)

The movement on leased property, plant and equipment is as follows:

	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Cost			
At 1 January 2021	5,234	588	5,822
Additions	(338)	-	(338)
Disposals	(2,015)	-	(2,015)
At 31 December 2021	<u>2,881</u>	<u>588</u>	<u>3,469</u>
Accumulated depreciation			
At 1 January 2021	1,646	259	1,905
Depreciation for the year	1,738	137	1,875
Disposals	(2,015)	-	(2,015)
At 31 December 2021	<u>1,369</u>	<u>396</u>	<u>1,765</u>
At 31 December 2020	<u>3,588</u>	<u>329</u>	<u>3,917</u>
At 31 December 2021	<u>1,512</u>	<u>192</u>	<u>1,704</u>

20. Share capital

	<u>2021</u>		<u>2020</u>	
	No. 000s	£000's	No. 000s	£000's
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>37,059</u>	<u>37,059</u>	<u>37,059</u>	<u>37,059</u>

The Company has one class of ordinary shares which carry no right to fixed income.

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Financial statements for the year ended 31 December 2021

Notes to the financial statements (continued)

21. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and the largest group in which the Company is consolidated is that headed by Dar Al-Handasah Consultants Shair and Partners Holdings Limited which is incorporated in Dubai International Finance Centre (DIFC), located in the United Arab Emirates. Those consolidated financial statements are not available to the public.

The smallest group in which the Company is consolidated is headed by Currie & Brown Holdings Limited. The consolidated financial statements of Currie & Brown Holdings Limited are available from 12 Dumaresq Street, St Helier, Jersey, JE2 3RL.

The Company's immediate parent is Currie & Brown International Limited, a company registered in the United Kingdom.

22. Related party transactions

During the year the Company entered into transactions in the ordinary course of business, with related parties. The Company has taken advantage of the exception under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly-owned subsidiaries of the Dar Al-Handasah Consultants Shair and Partners Holdings Limited Group. Transactions with other related parties are detailed below:

	Included in revenue		Amounts receivable	
	Year ended 31 December 2021	Year ended 31 December 2020	31 December 2021	31 December 2020
	£000's	£000's	£000's	£000's
ACP: North Hub Limited	274	404	127	138

Receivables stated net of VAT are the aggregate of trade receivables, contract assets and contract liabilities.

Hub North Scotland Limited is a subsidiary of ACP: North Hub Limited, a joint venture of Currie & Brown Equitix Limited. Currie & Brown UK Limited and Currie & Brown Equitix Limited are members of the same corporate group.

23. Prior year restatement

During the year the directors assessed the classification of intercompany receivables as current or non-current. Although the intercompany balances are repayable on demand, the likelihood of repayment within the next 12 months was remote. Following this reassessment, the directors have concluded that some of the intercompany receivables from fellow group undertakings which were previously reported under current trade and other receivables should be restated to non-current assets. The impact for the year ended 31 December 2020 was to increase non-current assets by £21,906,000 and reduce trade and other receivables by £21,906,000.