REGISTERED NUMBER: 00836946 (ENGLAND AND WALES)

OVERBURY PLC

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

OVERBURY PLC

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OVERBURY PLC

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors	J Baker R Banister C S Booth A Boyle P Brazier S P Crummett R S D Ewing P Knight J C Morgan A Paton O B Watson (appointed 1 May 2021) A D Wood
Company Secretary	Clare Sheridan
Head Office	77 Newman Street London W1T 3EW
Registered Office	Kent House 14–17 Market Place London W1W 8AJ
Independent Auditor	Ernst & Young LLP 1 More London Place London SE1 2AF

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Principal activities

The principal activity of Overbury plc ("the Company") is the fit out and refurbishment of projects in the office, higher education, and retail banking markets. We do not expect this to change in the foreseeable future.

Business review

The results for the year and key performance indicators for the Company were as follows:

	2021	2020	2019	2018	2017
	£000	£000	£000	£000	£000
Revenue	**678,778**	637,778	721,125	747,454	644,062
Operating profit	**33,865**	30,517	30,250	38,593	33,797
Operating margin	**5.0%**	4.8%	4.2%	5.2%	5.2%
Net assets	**107,257**	112,291	87,273	82,568	73,342
Cash at bank	**109,405**	87,509	61,367	70,644	61,285
Average Daily Cash	**87,042**	60,434	52,759	63,687	64,270
Forward order book[1]	**862,449**	377,639	468,010	438,018	471,916

The Company delivered an excellent performance in the year, driven by consistently strong project delivery, a continued focus on enhanced customer experience and a high-quality workload. With revenue increasing 6% to £679m (2020: £638m), operating profit increased 11% to £33.9m (2020: £30.5m). The operating margin of 5.0% was up 20bps on prior year (2020: 4.8%).

As expected, the proportion of revenue derived from the commercial office sector reverted back to more normal levels contributing 72% of revenue (2020: 63%), with work in the public sector and for local authorities dropping back to 18% of revenue (2020: 28%). The higher education and retail banking sectors made up the remainder as usual.

Revenue outside of the London region increased strongly to 37% of the total, up from 29% in the prior period, however the London region remained the Company's largest market at 63% of revenue (2020: 71%). Looking ahead to future periods, the proportion of revenue from the London region is expected to revert back to a more normal proportion of c70% of divisional revenue.

In terms of type of work delivered in the year, 94% related to traditional fit out work (FY 2020: 94%), while 6% related to 'design and build' (2020: 6%). The proportion of revenue generated from the fit out of existing office space increased slightly to 76% (2020: 69%), with the fit out of new office space reducing to 24% (2020: 31%). Of the fit out of existing office space, work was broadly split evenly between refurbishment 'in occupation' and non-occupied space.

Projects won in the year included: 366,000 sq ft of office space at Five Bank Street, Canary Wharf; 200,000 sq ft for BP in North Colonnade, Canary Wharf; 200,000 sq ft for BT in Bristol, awarded following completion of a 186,000 sq ft project for BT in Birmingham; 150,000 sq ft of Cat A space in Thames Valley Park, Reading; 93,000 sq ft of office, sales and support facilities for MathWorks in Cambridge; 90,000 sq ft of Cat A space in Coventry for landlord IM Properties; and 30,000 sq ft for landlord Quadrature Capital in the Leadenhall Building, London. Project completions included Norton

[1] The 'future order book' represents the Company's share of future revenue that will be derived from signed contracts or letters of intent.

Motorcycles' new 70,000 sq ft state-of-the-art facility in Solihull and a 56,000 sq ft office in Bristol for the BBC.

The Company's public sector portfolio continued to expand in 2021 as the company secured: a 12,000 sq ft refurbishment of the North West Regional Control Centre for National Highways (formerly Highways England); a 60,000 sq ft fit out for the University of Leicester via the Pagabo framework; and multiple projects totalling £51.8m under The Mayor's Office for Policing and Crime (MOPAC) framework with a further £40.7m secured for 2022 and beyond.

Future outlook
The fit out market remains strong. At the year end, the secured order book was £862m, more than double the size of the order book at the previous year end (2020: £378m). Within this total, the Company secured a number of larger contracts which will generate revenue over a number of years, thereby giving the Company better long-term visibility compared to its usual project cycle.

Of the year-end order book of £862m, £494m (57%) relates to 2022 and this level of orders for the next 12 months is 39% higher than it was at the same time last year.

Financial position and liquidity
The financial position of the Company is presented in the Balance Sheet. The total shareholder's funds at 31 December 2021 were £107.3m (2020: £112.3m). The Company had net current assets of £104.1m (2020: £108.9m), including cash of £109.4m (2020: £87.5m) at 31 December 2021.

The Company is a member of the Morgan Sindall Group plc (the "Group") and participates in its banking arrangements (under which it is a cross guarantor). As at 31 December 2021 the Group had net cash balances of £358m. The Group has £180m of committed loan facilities maturing more than one year from the balance sheet date, of which £15m matures in March 2024 and £165m in October 2024. These facilities are undrawn at 31 December 2021. The Group has a further facility of £0.4m that was drawn down in full during 2021 and matures in July 2025.

Key performance indicators
The Company's financial key performance indicators are described in the business review above. No other key performance indicators are deemed necessary to explain the development, performance or position of the Company.

Principal risks and uncertainties
The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to the market and economic environment, health, safety and environmental performance, contractual risk (including mispricing of contracts, managing changes to contracts and contract disputes, poor project delivery and poor contract selection), and counterparty and liquidity risk. Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided in the strategic report in the Group's annual report, which does not form part of this report.

Financial risk management objectives and policies
The Company's operations expose it to a variety of financial risks that include credit risk, liquidity risk, interest rate risk and price risk.

Credit risk
With regard to credit risk the Company has implemented policies that require appropriate credit checks on potential customers before contracts are commenced. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers outside of the Group.

Liquidity risk
This is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company aims to manage liquidity by ensuring that it will always have sufficient resources to meet its liabilities when they fall due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Liquidity is provided through cash balances and access to the Group's committed bank loan facilities.

Interest rate risk
In respect of interest rate risk the Company has interest bearing assets. Interest bearing assets include cash balances, all of which have interest rates applied at floating market rates.

Price risk
The Company has some exposure to commodity price risk as a result of its operations. This risk is managed on a project by project basis by limited forward buying of certain commodities and by negotiating annual purchase agreements with key suppliers. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

Section 172(1) statement Companies Act 2006
Throughout 2021, the directors have complied with the requirements of Section 172 of the Companies Act 2006, in promoting the long-term success of the Company for the benefit of all stakeholders. The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the directors' statement required under section 414CZA of The Companies Act 2006.

Engagement with stakeholders
The directors consider its shareholder, employees, customers, suppliers and local communities to be its core stakeholder groups. As part of its ongoing activities of engaging with stakeholders, the directors have undertaken the following activities in 2021:

Shareholder
Our ultimate shareholder is the Group. We create value for the Group by generating strong and sustainable results that translate into dividends. We discuss our performance in monthly management meetings with the Group's executive directors and provide executive summaries for the Group Board. The directors routinely engage with the Group on topics of strategy, governance and performance and our strategic plans include information on the impact on each of our stakeholders including the community and environment.

Employees
In line with the Group's Total Commitments, protecting the health, safety and wellbeing of everyone who comes into contact with our business is our number one priority. Furthermore, we are committed to a diverse and inclusive work environment and helping our employees gain skills that support their personal ambitions and drive the business forward. Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into

account when decisions are made that are likely to affect their interest and that all employees are aware of the financial and economic performance of their business units and the Company as a whole.

The Company recognises the need to ensure effective communication with employees and has developed various communication channels taking account of factors such as numbers employed and location, including an employee forum, an intranet and in-house newsletters.

The Company's use of technology meant that during the year, the annual staff conference was held virtually where the strategy and performance of the Company is communicated to the employees. A staff survey was conducted at the end of 2020 and follow up feedback sessions with staff at various locations took place in 2021.

We keep our employees informed of our financial performance through newsletters, emails and briefing sessions, and let them know of any external factors and significant events that might have an impact. As part of the Morgan Sindall Group, we offer a Savings-Related Share Option Plan ('SAYE') to encourage employees to engage with business performance and progress of the Company and the Group.

Customers
We aim to develop long-term relationships with our clients and partners. During 2021 we extended our framework offerings, benefitting clients by providing continuity of knowledge and enhancing a value add service.

Suppliers
Our suppliers and subcontractors are critical to our operations and we take a long-term collaborative approach to working with them. The Company's established and preferred relationships built up with its supply chain over many years. 98% of payments were made within 60 days in accordance with the Prompt Payment Code. 94% of all payments in the year were made within agreed terms.

Communities
We engage with communities at a site level via newsletters, public noticeboards and, where appropriate, engagement with local community groups. More broadly, we have an active social media presence and regularly respond to members of the public who may have queries about our works. We are members of a variety of industry groups including Women in Construction, UK Green Building Council, SKA Technical Committee, and WELL Building Keystone Partners.

Additionally, we were again invited on the Considerate Constructors Scheme (CCS) Working Group as a result of our leadership in the sector on community engagement issues. CCS is an organisation with the express goal of improving the image of the construction industry in the eyes of the general public. We use the CCS framework to guide our approach to community engagement issues.

Further information about how we and the Group engage with stakeholders can be found in the Group's 2021 Annual Report and Accounts (morgansindall.com).

Principal decisions
We define principal decisions as those that are material to the Company and to the Group and those that are significant to our key stakeholder groups as above. As set out below, we have given examples of how the directors have considered the outcomes from our stakeholder engagement as well as the need to maintain the Company's reputation for high standards of business conduct and to act fairly

between the members of the Company in some of the principal decisions taken during the year.

During the year, the Directors have reviewed and approved the Company five-year strategic plan and priorities, including the financial budget whilst considering and determining the Company's appropriate risk appetite, namely being selective over what work we seek to secure and ensuring we have the right skillsets to perform the work, whilst also ensuring alignment with the Group plans and priorities.

Contract selectivity was carefully considered on every tender submission. Contract terms and conditions, including payment terms, are carefully balanced against existing resource and contract commitments. We have declined opportunities that have inadequate financial covenants or access to finance. We have also declined opportunities that do not suit our core competencies.

Subcontractors were selected from an approved database which monitors quality performance, financial standing, health and safety performance, workload and resources. We have adopted an incentive scheme for preferred subcontractors; releasing retention funds to those supporting and delivering against our perfect delivery strategy. The list of preferred subcontractors is reviewed every six months with subcontractors being promoted to or demoted from the list, based on their scores.

We continued to invest in our early careers 'foundation programme' to develop succession planning, diversity and home grow resource for business growth.

For further information on how the Group Board has considered stakeholders in its decision making please see the corporate governance and directors' report in the 2021 Annual Report and Accounts.

Approved by and on behalf of the Board

Robert Ewing
Director
21 March 2022

The directors present their annual report and the audited financial statements for the year ended 31 December 2021. The annual report comprises the strategic report and directors' report, which together provide the information required by the Companies Act 2006. The financial statements have been prepared under United Kingdom Accounting Standards.

Going concern

The Company's business activities, together with the factors likely to affect its future development and performance, as well as the financial position of the Company, its cash flows, liquidity position and the borrowing facilities, are described in the Strategic Report on pages 2 to 6.

These financial statements have been prepared on a going concern basis which presumes that the Company has adequate resources to remain in operation and that the directors intend it to do so for the period ending 31 March 2023.

The company's future workload is healthy with a secured order book of £862m and the Company has a strong financial position at the year end with net current assets of £104.1m (2020: £108.9m), including cash of £109.4m (2020: £87.5m) at 31 December 2021.

The Directors have reviewed the Company's forecasts and projections for the period to 31 March 2023, including sensitivity analysis to assess the Company's resilience to the potential financial impact of any plausible losses of revenue or operating profit which could arise from one of the principal risks to the business occurring. This showed that the Company would remain profitable throughout the period to 31 March 2023.

The Company participates in the Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2021 the Group had net cash balances of £358m. The Group has £180m of committed loan facilities maturing more than one year from the balance sheet date, of which £15m matures in March 2024 and £165m in October 2024. These facilities are undrawn at 31 December 2021. The Group has a further facility of £0.4m that was drawn down in full during 2021 and matures in July 2025.

Based on the above, the directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the period ending 31 March 2023. Thus, they continue to adopt the going concern basis in preparing the financial statements. Further details can be found in the principal accounting policies in the financial statements.

Directors

The directors who served during the year and to the date of this report are shown on page 1. None of the directors had any interest in the shares of the Company during the year ended 31 December 2021.

The Company has adopted Articles of Association, the provisions of which do not require the directors to retire by rotation or to retire at the first annual general meeting after their appointment.

Directors' indemnities

The Company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Furthermore, the Group maintains liability insurance for its directors and officers and those of its directors and officers of its associated companies. The Company has not made qualifying third-party indemnity provisions for the benefit of its directors during the year.

Dividends
An interim dividend of £33.0m (2020: £nil) was paid during the year. The directors do not recommend the payment of a final dividend (2020: £nil).

Political contributions
The Company made no political contributions during the year (2020: nil).

Employment policies
The Company insists that a policy of equal opportunity employment is demonstrably evident at all times. Selection criteria and procedures and training opportunities are designed to ensure that all individuals are selected, treated and promoted on the basis of their merits, abilities and potential.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should as far as possible, be identical to that of a person who does not suffer from a disability.

Engagement with employees and other stakeholders
As part of its ongoing activities of engaging with stakeholders, the directors have undertaken a number of activities in 2021. These are detailed in the Section 172(1) in the Strategic Report on pages 4 to 6.

Environmental performance
The Group has announced plans to achieve net zero carbon emissions by 2030 and is going to reduce Scope 1, 2 and operational Scope 3 emissions by 30% by 2025 and by 60% by 2030, based on a 2019 baseline, with any remaining emissions being offset in the UK. The Group has a history of leadership, transparency and openness around its sustainability goals. The Group was one of the first construction companies in the world to gain accreditation by the Science-Based Targets Initiative, using targets which represent sector-specific actual reductions in overall emissions. The Group's emission figures have been independently audited, under the Carbon Reduce Scheme for over a decade.

In 2020 and 2021, our actions to tackle climate change were independently recognised with an A score for leadership on climate change from the CDP, a voluntary climate impact reporting scheme. In 2021, CDP also named the Group a Supplier Engagement Leader, for its work to drive action on climate change along its supply chain.

Alongside the Group, the management of Overbury's environmental approach is driven from board level. We have always prided ourselves on the environmental performance of our projects and acknowledge our significant responsibility in ensuring our business operations provide a positive impact to the environment and communities we are working within. Our biggest area of responsibility and opportunity to create the most positive environmental impact is within our projects. We have our own internal sustainability team who ensure our sector leading sustainability offering for our clients.

In 2021, we worked on 57 projects targeting a formal sustainability assessment. Furthermore, we saw a significant increase in clients pursuing bespoke sustainability requirements, often with a strong focus on operation and embodied carbon. We delivered 7 project embodied carbon reports for clients with many more underway. We facilitated a number of workshops and training sessions across the business and with the supply chain to increase awareness around the carbon agenda, with particular focus on embodied carbon. We recently entered a partnership with the Building Research Establishment (BRE) to drive greater take up of Environmental Product Declarations (EPDs) in the supply chain and our first two EPD seminars we had over 100 supply chain partners represented.

For further details of the Group's environmental performance and a copy of the Group's reporting under the Task Force on Climate-related Financial Disclosure (TCFD) requirements please see the Morgan Sindall Group plc 2021 Annual Report (www.morgansindall.com).

Independent auditor and disclosure of information to the independent auditor
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 auditor is unaware; and
- Each 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Following an audit tender conducted during 2020, Ernst & Young LLP were selected as auditor for Morgan Sindall Group plc and its subsidiaries. Accordingly, Ernst & Young LLP were appointed to replace Deloitte LLP as the company's auditor for the year ended 31 December 2021.

Directors' responsibilities statement
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial 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. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved for and on behalf of the Board

Robert Ewing
Director
21 March 2022

OVERBURY PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OVERBURY PLC
FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion
We have audited the financial statements of Overbury plc for the year ended 31 December 2021 which comprise the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:
- give a true and fair view 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 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 to 31 March 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
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 material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept 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.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 9 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.

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" and the Companies Act 2006) and the relevant tax compliance regulations in the UK.
- We understood how Overbury plc is complying with those frameworks by making enquiries of management including those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board minutes, noting the strong emphasis of transparency and honesty in the Company's culture and the levels of oversight the Board and Group management have over the Company.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was a susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitor those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing with a focus on journals indicating unusual transactions based on our understanding of the business, enquiries of management, and focussed testing on revenue and other related balances.

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

Use of our report

This report is made solely to the 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.

PMcIver

Peter McIver (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom
21 March 2022

OVERBURY PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £000	2020 £000
Revenue	1	678,778	637,778
Cost of sales		(597,220)	(553,605)
Gross profit		81,558	84,173
Administrative expenses		(47,693)	(53,656)
Operating profit	2	33,865	30,517
Interest receivable	5	289	276
Interest payable	5	(156)	(224)
Profit before tax		33,998	30,569
Tax	6	(6,032)	(5,551)
Profit for the financial year attributable to owners of the Company	13	27,966	25,018

Other comprehensive income	-	-
Total comprehensive income for the year attributable to owners of the Company	27,966	25,018

Continuing operations

The results for the current and previous financial years all derive from continuing operations.

OVERBURY PLC

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 £000	2020 £000
Non-current assets			
Property, plant and equipment	7	5,542	7,643
Deferred tax asset	11	563	240
		6,105	7,883
Current assets			
Contract assets	9	30,841	26,431
Trade and other receivables	8	150,881	145,437
Cash and bank balances		109,405	87,509
		291,127	259,377
Total assets		297,232	267,260
Current liabilities			
Contract liabilities	9	(1,755)	(960)
Trade and other payables	10	(183,058)	(147,846)
Current tax liabilities		(658)	(45)
Lease Liabilities	16	(1,532)	(1,579)
		(187,003)	(150,430)
Net current assets		104,124	108,947
Non-current liabilities			
Lease Liabilities	16	(2,972)	(4,539)
		(2,972)	(4,539)
Total liabilities		(189,975)	(154,969)
Net assets		107,257	112,291
Capital and reserves			
Share capital	12	13,000	13,000
Retained earnings	13	94,257	99,291
Total shareholder's funds		107,257	112,291

The financial statements of Overbury plc (company number 00836946) were approved by the Board and authorised for issue on 21 March 2022. They were signed on its behalf by:

.... Robert Ewing, Director

OVERBURY PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital (Note 12) £000	Retained earnings (Note 13) £000	Total £000
At 1 January 2020	**13,000**	**74,273**	**87,273**
Total profit and comprehensive income	-	25,018	25,018
Dividends paid	-	-	-
At 31 December 2020	**13,000**	**99,291**	**112,291**
Total profit and comprehensive income	-	27,966	27,966
Dividends paid	-	(33,000)	(33,000)
At 31 December 2021	**13,000**	**94,257**	**107,257**

General information
Overbury plc (the 'Company') is a private company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 2 to 6. The address of the registered office is given on page 1.

Basis of accounting
The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the Company has prepared its financial statements in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to capital management, presentation of comparative information in respect of certain assets, leases, presentation of a cash flow statement, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements of Morgan Sindall Group plc, which are available to the public at www.morgansindall.com.

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

These financial statements are presented in pounds sterling which is the Company's presentational and functional currency.

The directors consider that the ultimate parent undertaking and ultimate controlling party of this Company is Morgan Sindall Group plc, which is registered in England and Wales. It is the only group into which the results of the Company are consolidated. Copies of the consolidated financial statements of Morgan Sindall Group plc are publicly available from www.morgansindall.com or from its registered office Kent House, 14-17 Market Place, London W1W 8AJ.

New and revised accounting standards
During the year, the following new and revised standards and interpretations become effective. Their adoption has no impact on the accounts or disclosures in these financial statements.

- Interest Rate Benchmark Reform – Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments – recognition and measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases'
- Amendments to IFRS 16 'Covid-19 Related Rent Concessions'

The accounting policies as set out below have been applied consistently to all periods presented in these financial statements.

Going concern
The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic Report. The Directors have reviewed the Company's forecasts and projections for the period to 31 March 2023, including sensitivity analysis to assess the Company's resilience to the potential financial impact of any plausible losses of revenue or operating profit which could arise from one of the principal risks to the business

occurring. This showed that the Company would remain profitable throughout the period to 31 March 2023. The Company participates in the Group's centralised treasury arrangements and shares banking arrangements, including the provision of cross guarantees, with its ultimate parent Morgan Sindall Group plc and fellow subsidiaries.

The directors, having assessed the responses of the directors of Morgan Sindall Group plc to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Morgan Sindall Group plc, the Company's directors have a reasonable expectation that the Company and the Group will be able to continue in operational existence for the period to 31 March 2023. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Property, plant and equipment
Freehold and leasehold property, plant, machinery and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is provided in equal annual instalments at rates calculated to write off the cost of the assets over their estimated useful lives as follows:

Plant, equipment, fixtures and fittings	between three and ten years
Right of use - Leasehold buildings	the period of the lease
Right of use - Plant, equipment, fixtures and fittings	the period of the lease

Revenue
Revenue is defined as the value of goods and services rendered excluding discounts and VAT and is recognised as follows:

Construction contracts
A significant portion of the Company's revenue is derived from construction contracts. These services are provided to customers across a wide variety of sectors and the size and duration of the contracts can vary significantly from a few weeks to more than 2 years.

The majority of contracts are considered to contain only one performance obligation for the purposes of recognising revenue. Whilst the scope of works may include a number of different components, in the context of construction activities these are usually highly interrelated and produce a combined output for the customer.

Contracts are typically satisfied over time. For fixed price construction contracts progress is measured through a valuation of the works undertaken by a professional quantity surveyor, including an assessment of any elements for which a price has not yet been agreed such as changes in scope.

Variations are not included in the estimated total contract price until the customer has agreed the revised scope of work.

Where the scope has been agreed but the corresponding change in price has not yet been agreed, only the amount that is considered highly probable not to reverse in the future is included in the estimated total contract price. Where delays to the programme of works are anticipated and liquidated damages would be contractually due, the estimated total contract price is reduced accordingly. This is only mitigated by expected extensions of time or commercial resolution being achieved where it is highly probable that this will not lead to a significant reversal in the future.

In order to recognise the profit over time it is necessary to estimate the total costs of the contract. These estimates take account of any uncertainties in the cost of work packages which have not yet been let and materials which have not yet been procured, the expected cost of any acceleration of or delays to the programme or changes in the scope of works and the expected cost of any rectification works during the defect's liability period.

Once the outcome of a construction contract can be estimated reliably, margin is recognised in the income statement in line with the stage of completion. Where a contract is forecast to be loss-making, the full loss is recognised immediately in the statement of comprehensive income.

Contract costs
Costs to obtain a contract are expensed unless they are incremental, i.e. they would not have been incurred if the contract had not been obtained, and the contract is expected to be sufficiently profitable for them to be recovered.

Costs to fulfil a contract are expensed unless they relate to an identified contract, generate or enhance resources that will be used to satisfy the obligations under the contract in future years and the contract is expected to be sufficiently profitable for them to be recovered.

Where costs are capitalised, they are amortised over the shorter of the period for which revenue and profit can be forecast with reasonable certainty and the duration of the contract except where the contract becomes loss making. If the contract becomes loss making, all capitalised costs related to that contract are immediately expensed.

Leases
Where the Company is a lessee, a right-of-use asset and lease liability are recognised at the outset of the lease other than those that are less than one year in duration or of a low value.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date based on the Company's expectations of the likelihood of lease extension or break options being exercised. 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. The lease liability is subsequently adjusted to reflect imputed interest, payments made to the lessor and any lease modifications.

The right-of-use asset is initially measured at cost, which comprises the amount of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the Company and an estimate of any costs that are expected to be incurred at the end of the lease to dismantle or restore the asset. The right-of-use assets are presented within the property, plant and equipment line in the balance sheet and depreciated in accordance with the Company's accounting policy on property, plant and equipment. The amount charged to the income statement comprises the depreciation of the right-of-use asset and the imputed interest on the lease liability.

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.

Pensions

The Company contributes to The Morgan Sindall Retirement Benefits Plan and to other employees' personal pension arrangements, which are of a defined contribution type. For all schemes the amount charged to the statement of comprehensive income is equal to the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Income tax

The income tax expense represents the current and deferred tax charges. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity.

Current tax is the Company's expected tax liability on taxable profit for the year using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Taxable profit differs from that reported in the statement of comprehensive income because it is adjusted for items of income or expense that are assessable or deductible in other years and is adjusted for items that are never assessable or deductible.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding tax bases used in tax computations.

Deferred tax is recognised on temporary differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at the tax rates expected to apply when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted and are only offset where this is a legally enforceable right to offset current tax assets and liabilities.

Dividends

Dividends to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the Company's management to make judgements, assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical judgements, apart from those involving estimation estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in 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 portion of the Company's activities are undertaken through long term construction contracts the Company is required to make estimates in accounting for revenue and margin. These estimates may depend upon the outcome of future events and may need to be revised as circumstances change. For example, variations are not included in the estimated total contract price until the customer has agreed the revised scope of work. Where the scope has been agreed but the corresponding change in price has not yet been agreed, only the amount that is considered highly probable not to reverse in the future is included in the estimated total contract price. Where delays to the programme of works are anticipated and liquidated damages would be contractually due, the estimated total contract price is reduced accordingly. This is only mitigated by expected extensions of time or commercial resolution being achieved where it is highly probable that this will not lead to a significant reversal in the future.

In order to recognise the profit over time it is necessary to estimate the total costs of the contract. These estimates take account of any uncertainties in the cost of work packages which have not yet been let and materials which have not yet been procured, the expected cost of any acceleration of or delays to the programme or changes in the scope of works. Further detail is provided in the accounting policies on page 18.

1. Analysis of revenue and profit before taxation

All revenue and profit before taxation relates to the Company's principal activity carried out in the UK. Revenue is analysed below:

	2021 £000	2020 £000
Traditional	**634,668**	600,595
Design and build	**44,110**	37,183
Total revenue	**678,778**	637,778

In terms of type of work delivered in the year, 94% related to traditional fit out work (2020: 94%), while 6% related to 'design and build' (2020: 6%).

2. Operating profit

	2021 £000	2020 £000
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets:		
- owned assets	**809**	837
- right of use assets	**1,462**	1,462
Short term leases – plant & equipment	**2,500**	1,872
Government grant	-	(909)
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**63**	58

3. Staff costs

	2021 £000	2020 £000
Wages and salaries	**69,434**	69,021
Social security costs	**8,653**	8,363
Pension costs	**2,391**	2,274
	80,478	79,658

	No.	No.
The average monthly number of employees (including executive directors) during the year was:	**700**	693

In 2020, the Company placed a number of its employees on furlough and accessed the Government's Coronavirus Job Retention Scheme ("CJRS"). The Company claimed £0.9m under the CJRS in 2020, the benefit of which is reflected within cost of sales and administrative expense in the 2020 income statement and associated wages and salaries in Note 3.

In October 2020, the amounts initially received under CJRS were subsequently repaid the Government and there are no outstanding balances due/payable in respect of this grant.

4. Directors' remuneration

	2021	2020
	£000	£000
Directors' remuneration		
Emoluments	5,195	4,639
Company contributions to money purchase pension scheme	70	72
	5,265	4,711
Remuneration of the highest paid director		
Emoluments	952	815
Company contributions to money purchase pension scheme	4	5

	No.	No.
The number of directors who:		
- are members of money purchase pension schemes	10	10
- exercised options over shares in the ultimate Group	9	4

Total emoluments excludes amounts in respect of share options (granted and/or exercised), pension contributions, benefits under pension schemes and benefits under long term incentive plans.

Two current directors of the Company received no emoluments (2020: two) in their capacity as directors of this Company. These individuals are remunerated by another company in the Group.

5. Net interest receivable

	2021	2020
	£000	£000
Bank interest receivable	267	250
Other interest receivable	22	26
Interest receivable	289	276
Lease liabilities	(156)	(200)
Other interest payable	-	(24)
Interest payable	(156)	(224)

6. Tax

	2021 £000	2020 £000
UK corporation tax charge on profit for the year	**6,786**	5,952
Adjustment in respect of previous years	**(431)**	(311)
Total current tax	**6,355**	5,641
Origination and reversal of timing differences	**(196)**	(53)
Adjustment in respect of previous years	**(127)**	(37)
Total deferred tax (note 11)	**(323)**	(90)
Total tax expense	**6,032**	5,551

Corporation tax is calculated at 19% (2020: 19%) of the estimable taxable profit for the year. The actual tax charge for the current and preceding year differs from the standard rate for the reasons set out in the following reconciliation:

	2021 £000	2020 £000
Profit before tax	**33,998**	30,569
Tax on profit at corporation tax rate 19% (2020: 19%)	**6,460**	5,808
Factors affecting the charge for the year:		
Adjustment in respect of previous years	**(558)**	(348)
Expenses not deductible for tax purposes	**131**	47
Expected forthcoming changes in tax rates upon deferred tax	**(73)**	(18)
Other	**72**	62
Total tax expense	**6,032**	5,551

During 2021 it was announced that the UK statutory tax rate will increase from 19% to 25% from 1 April 2023. Consequently the applicable tax rate for the Company (taking into account its December year end) is expected to be 19% in 2021 and 2022, 23.5% in 2023, and 25% in 2024 (and beyond). Deferred taxes at the balance sheet date are measured at the enacted rates that are expected to apply to the unwind of each asset or liability. Accordingly deferred tax balances as at 31 December 2021 have been calculated at a mix of 19%, 23.5% and 25%. Deferred tax balances as at 31 December 2020 were calculated at 19%. During 2020 it was announced that a previously announced reduction in the UK statutory tax rate from 19% to 17% would not occur.

7. Property, plant and equipment

		Right of use assets		
	Plant, equipment, fixtures & fittings £000	Leasehold buildings £000	Plant, equipment, fixtures & fittings £000	Total £000
Cost				
As at 1 January 2021	6,586	8,718	499	15,803
Additions	170	-	-	170
Disposals	(2,431)	-	-	(2,431)
As at 31 December 2021	**4,325**	**8,718**	**499**	**13,542**
Depreciation				
As at 1 January 2021	(4,571)	(3,307)	(282)	(8,160)
Charge for the year	(809)	(1,355)	(107)	(2,271)
Disposals	2,431	-	-	2,431
As at 31 December 2021	**(2,949)**	**(4,662)**	**(389)**	**(8,000)**
Net Book Value				
As at 31 December 2021	**1,376**	**4,056**	**110**	**5,542**
As at 31 December 2020	2,015	5,411	217	7,643

8. Trade and other receivables

	2021 £000	2020 £000
Amounts falling due within one year		
Trade receivables	**70,276**	55,381
Amounts owed by Group undertakings	**70,724**	81,320
Prepayments	**336**	126
Other receivables	**39**	35
	141,375	136,862
Amounts falling due after more than one year		
Trade receivables	**9,506**	8,575
	150,881	145,437

Amounts owed by Group undertakings are payable on demand and are not interest bearing.

At 31 December 2021 retentions held by customers for contract work, which are included within the trade receivables, amounted to £22.1m (31 December 2020: £23.8m).

9. Construction contracts

The Company has recognised the following revenue-related contract assets and liabilities:

	2021	2020
	£000	£000
Contract assets	**30,841**	26,431
Contract liabilities	**(1,755)**	(960)

The contract assets primarily relate to the Company's right to consideration for construction work completed but not invoiced at the balance sheet date. The contract assets are transferred to trade receivables when the amounts are certified by the customer. On most contracts certificates are issued by the customer on a monthly basis.

The Company has taken advantage of the practical expedient in paragraph 94 of IFRS 15 to immediately expense the incremental costs of obtaining contracts where the amortisation period of the assets would have been one year or less.

The contract liabilities primarily relate to the advance consideration received from customers in respect of performance obligations which have not yet been fully satisfied and for which revenue has not been recognised. All contract liabilities held at 31 December 2021 are expected to satisfy performance obligations in the next 12 months.

Significant changes in the contract assets and the contract liabilities during the period are as follows:

	2021 £000		2020 £000	
	Contract assets	**Contract liabilities**	Contract assets	Contract liabilities
As at 1 January	**26,431**	**(960)**	26,208	(2,182)
Revenue recognised:				
- performance obligations satisfied in the current period	**677,818**	**960**	635,596	2,182
Cash received for performance obligations not yet satisfied	**-**	**(1,755)**	-	(960)
Amounts transferred to trade receivables	**(673,408)**	**-**	(635,373)	-
As at 31 December	**30,841**	**(1,755)**	26,431	(960)

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the balance sheet date:

	2022	**2023**	**2024+**	**Total**
	£000	**£000**	**£000**	**£000**
As at 31 December 2021	493,564	143,080	225,805	**862,449**

10. Trade and other payables

	2021	2020
	£000	£000
Amounts falling due within one year		
Trade payables	**29,242**	27,920
Amounts owed to Group undertakings	**-**	1
Social security and other taxes	**35,510**	9,152
Other payables	**948**	1,088
Accruals	**117,358**	109,685
	183,058	147,846

Amounts owed by Group undertakings are payable on demand and are not interest bearing.

11. Deferred tax asset

	2021	2020
	£000	£000
Balance at 1 January	**240**	150
Income statement charge (note 6)	**323**	90
Balance at 31 December	**563**	240

Deferred tax assets consist of the following amounts:

	2021	2020
	£000	£000
Accelerated capital allowances	**479**	232
Short term timing differences	**84**	8
	563	240

12. Share capital

	2021	2020
	£000	£000
Issued, authorised and fully paid		
13,000,000 ordinary shares of £1 each	**13,000**	13,000

The Company has one class of ordinary share which carries no rights to fixed income.

13. Retained earnings

	2021	2020
	£000	£000
Balance as at 1 January	**99,291**	74,273
Profit for the year	**27,966**	25,018
Dividends of 254p per share (2020: £nil per share)	**(33,000)**	-
Balance as at 31 December	**94,257**	99,291

14. Pension commitments

The Company contributes to the Morgan Sindall Retirement Benefits Plan and to other employees' personal pension arrangements. The Morgan Sindall Retirement Benefits Plan is a defined contribution post-retirement benefit plan under which the Company pays fixed contributions to a separate entity and has no legal or constructive obligation to pay further amounts. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. The pension creditor at 31 December 2021 was £573k (2020: £409k).

15. Contingent liabilities

Performance bonds have been entered into in the normal course of business. Performance bond facilities and banking facilities of the Group are supported by cross guarantees given by the Company and other participating companies in the Group.

Contingent liabilities may also arise in respect of subcontractor and other third party claims made against the Group, in the normal course of trading. A provision for such claims is only recognised to the extent that the Directors believe that the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation. However, such claims are predominantly covered by the Group's insurance arrangements.

16. Lease liabilities

The Company leases assets including property, plant and equipment. The average lease term is 4 years. There are no variable terms to any of the leases. The maturity profile for the lease liabilities at 31 December 2021 are set out as follows:

	Leasehold Property		**Other Assets**	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Maturity analysis				
Within one year	**1,464**	1,470	**68**	109
Within two to five years	**2,755**	4,062	**41**	109
After more than five years	**176**	368	**-**	-
	4,395	5,900	**109**	218

	2021			2020		
	Leasehold property	**Other assets**	**Total**	Leasehold property	Other assets	Total
	£000	**£000**	**£000**	£000	£000	£000
As at 1 January	**5,900**	**218**	**6,118**	7,257	324	7,581
Additions	**-**	**-**	**-**	-	-	-
Repayments	**(1,656)**	**(114)**	**(1,770)**	(1,550)	(113)	(1,663)
Interest expenses	**151**	**5**	**156**	193	7	200
As at 31 December	**4,395**	**109**	**4,504**	5,900	218	6,118

17. Related party transactions

In the ordinary course of business, the Company has traded with its parent company Morgan Sindall Group plc together with its subsidiaries. Advantage has been taken of the exemption permitted by FRS 101 not to disclose transactions with entities that are wholly owned by the Group. Balances with these entities are disclosed in notes 8 and 10 of these financial statements.

18. Subsequent events

There were no subsequent events that affected the financial statements of the Company.