

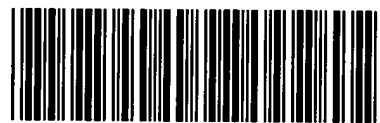
Registered number: 01593542

Currie & Brown (Japan) Limited

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR

ENDED 31 DECEMBER 2021

WEDNESDAY



AC56XRBK

A31

07/06/2023

#163

COMPANIES HOUSE

Currie & Brown (Japan) Limited
Financial statements for the year ended 31 December 2021

Company Information

Directors	R Fuller D A Isaacs E Tan
Company Secretary	S Hogg
Registered Number	01593542
Registered Office	40 Holborn Viaduct London EC1N 2PB
Auditors	Deloitte LLP 2 New Street Square London EC4A 3BZ
Bankers	Citibank 2F Hiroo Plaza 5-6-6 Hiroo Shibuya-ku Tokyo 150-0012

Currie & Brown (Japan) Limited
Financial statements for the year ended 31 December 2021

Contents

	Page
Directors' report	1
Directors' responsibilities statement	3
Independent auditor's report	4
Income statement and statement of other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10-26

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors

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

R Fuller
D A Isaacs
E Tan

Principal activity

The principal activities of the Company continue to be that of carrying on the business of Quantity Surveyors, Cost Consultants and Project Managers in Japan and the Far East.

Dividends

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

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, Currie & Brown Holdings Limited ('CBH'). CBH has confirmed its ongoing financial support in writing for a period of up to twelve months from the date of signing these financial statements.

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 June 2024 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 the Company, should it be required, for a period of up to twelve months from the date of signing these financial statements. 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.

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 ought to have taken as a director in order to make himself 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.

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.

Small Companies' exemption

The directors have taken advantage of the small companies' exemption available under the Companies Act 2006 S. 414B in not preparing the Strategic Report.

On behalf of the Board



D A Isaacs
Director
6 June 2023

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements 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). Under company law the directors must not approve the financial statements until 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 year. In preparing these financial statements, the directors are required to:

- 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 FRS101 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 (Japan) Limited (continued)

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Currie & Brown Japan 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 15.

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".

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.

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

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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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

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

- 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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

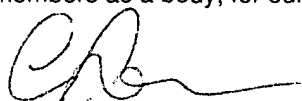
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

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 P Donovan (Senior statutory auditor)
For and on behalf of Deloitte LLP
London, United Kingdom
7 June 2023

Income statement and statement of other comprehensive income

	Notes	2021 £	2020 £
Turnover	3	3,983,794	3,770,004
Cost of sales		(3,153,236)	(3,082,395)
Gross profit		830,558	687,609
Administrative expenses		(504,343)	(542,168)
Operating profit	4	326,215	145,441
Interest receivable and similar income		54	40
Interest payable	12	(3,163)	(4,861)
Profit before income tax		323,106	140,620
Income tax charge	7	(148,160)	(99,829)
Profit for the year		174,946	40,791
All of the activities of the Company are classed as continuing.			
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Foreign exchange translation difference		(11,763)	34,150
Other comprehensive (expense) / income for the year		(11,763)	34,150
Total comprehensive income for the year		163,183	74,941

Currie & Brown (Japan) Limited
Financial statements for the year ended 31 December 2021

Statement of financial position

	Notes	2021	2020
		£	£
Non-current assets			
Tangible assets	8	19,224	15,065
Deferred tax	7	9,810	7,982
Right-of-use assets	12	34,208	132,426
		63,242	155,473
Current assets			
Debtors: amounts falling due within one year	9	1,436,611	1,012,025
Cash at bank and in hand		712,727	544,415
		2,149,338	1,556,440
Current liabilities			
Trade and other payables	10	(1,410,015)	(1,109,177)
Income tax payable		(94,036)	(16,715)
		(1,504,051)	(1,125,892)
Net current assets		645,287	430,548
Total assets less current liabilities		708,529	586,021
Creditors: amounts falling due after more than one year	11	-	(40,675)
Net assets		708,529	545,346
Capital and reserves			
Called up share capital	13	25,000	25,000
Retained earnings		645,037	470,091
Foreign currency translation reserve		38,492	50,255
Equity shareholders' funds		708,529	545,346

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The notes on pages 10 to 26 form an integral part of these financial statements.

The financial statements were authorised for issue by the board of directors on 6 June 2023 and were signed on its behalf.



D A Isaacs
Director
6 June 2023

Statement of changes in equity

	Attributable to the equity holders of the parent			
	Share capital	Retained earnings	Foreign currency translation reserve	Total
	£	£	£	£
As at 1 January 2020	25,000	429,300	16,105	470,405
Profit for the year	-	40,791	-	40,791
Other comprehensive income	-	-	34,150	34,150
As at 31 December 2020	<u>25,000</u>	<u>470,091</u>	<u>50,255</u>	<u>545,346</u>
As at 1 January 2021	25,000	470,091	50,255	545,346
Profit for the year	-	174,946	-	174,946
Other comprehensive expense	-	-	(11,763)	(11,763)
As at 31 December 2021	<u>25,000</u>	<u>645,037</u>	<u>38,492</u>	<u>708,529</u>

Notes to the financial statements

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

Currie & Brown (Japan) 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. The Company's functional currency is Japanese yen.

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 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 paragraphs 91-99 of IFRS 13 *Fair Value Measurement*;
- c) the requirements of paragraphs 10(d), 10(f), 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*;
- d) the requirements of IAS 7 *Statement of Cash Flows*;
- e) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- f) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;
- g) 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; and
- h) the requirements of paragraphs 134(d) - 134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*; and
- i) 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, Currie & Brown Holdings Limited ('CBH'). CBH has confirmed its ongoing financial support in writing for a period of up to twelve months from the date of signing these financial statements.

Notes to the financial statements (continued)

2. Accounting Policies (continued)

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 June 2024 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 the Company, should it be required, for a period of up to twelve months from the date of signing these financial statements to 30 June 2024. 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 period 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.

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.

Notes to the financial statements (continued)

2. Accounting Policies (continued)

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).

2.3 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 (Private Finance Initiative/Public Private Partnership), 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.

Notes to the financial statements (continued)

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

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.

Applying the input method

IFRS 15 provides two alternative methods for recognising revenue i.e. the output method or the input method. The Company adopts the input method since this 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 adopts the expected value approach to assess/re-assess variable consideration at contract inception and at each reporting date.

b) Foreign currency translation

The Company's financial statements are presented in pounds sterling as the Company is registered in England and Wales. The company's functional currency is Japanese yen.

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 date of the statement of financial position. All differences are taken to other 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. A foreign currency translation reserve is used to record exchange differences arising from the retranslation of non-monetary items measured at historical costs in a foreign currency to the entity's functional currency. The effect of retranslation from transactional to reporting currency is shown as part of equity. Exchange rate differences on non-monetary items, measured at fair value through profit and loss, are reported as part of the fair value gain or loss. 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. Exchange rate differences on non-monetary items measured at fair value through the revaluation reserve are included in the revaluation reserve in equity.

c) Property and equipment

Property 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.

Notes to the financial statements (continued)

2. Accounting Policies (continued)

2.4 Significant accounting policies (continued)

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

Furniture and equipment	– over 2 to 10 years
Computer and machinery	– over 3 years

The carrying values of property 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.

Property 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 derecognition of the asset is included in the income statement in the period of derecognition.

d) 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.

Notes to the financial statements (continued)

2. Accounting Policies (continued)

2.4 Significant accounting policies (continued)

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.

e) Financial Instruments

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

(i) Financial assets

Initial recognition

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.

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 of financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

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.

Classification and subsequent measurement of financial assets

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 (continued)

2. Accounting Policies (continued)

2.4 Significant accounting policies (continued)

e) 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 the income statement when the asset is derecognised, modified or impaired.

The company's financial assets at amortised cost include an amount due from group undertaking and other related parties included in the trade and other receivables.

Impairment of financial assets:

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.

For amounts 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 lifetime expected credit loss model. The expected credit losses on these financial assets are estimated individually based on historical observed default rate 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. At each reporting date, these historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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.

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 180 to 360 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 income statement for all financial assets at amortised cost with a corresponding adjustment to their carrying amount through a loss allowance account.

Notes to the financial statements (continued)

2. Accounting Policies (continued)

2.4 Significant accounting policies (continued)

e) Financial Instruments (continued)

Derecognition of financial assets:

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.

(i) Financial liabilities

The Company's financial liabilities consist of amount owed to group undertakings.

Initial recognition:

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 income statement when the liabilities are derecognised as well as through the EIR amortisation process.

The amounts owed to group undertakings are recognised for amounts to be paid in the future for services received at the date of the statement of financial position, whether billed or not.

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 income statement.

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 income statement.

(ii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the income statement 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.

Notes to the Financial Statements (continued)

2.4 Significant accounting policies (continued)

f) Income tax

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 enforcement 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.

g) Cash and short-term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits.

h) 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.

i) Interest income

Income is recognised as interest accrues using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

Notes to the financial statements (continued)

3. Turnover

Turnover by geographical area

	<u>2021</u>	<u>2020</u>
	£	£
Asia	<u>3,983,794</u>	<u>3,770,004</u>

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

	<u>2021</u>	<u>2020</u>
	£	£
Revenue recognised that was included in contract liabilities at the beginning of the period	8,280	65,967
Rendering of services	<u>3,975,514</u>	<u>3,704,037</u>
	<u>3,983,794</u>	<u>3,770,004</u>

4. Operating Profit

Operating profit is stated after charging:

	<u>2021</u>	<u>2020</u>
	£	£
Depreciation of property and equipment	5,597	7,890
Depreciation of right-of-use assets (Note 12)	89,982	92,800
Foreign exchange losses	<u>62,563</u>	<u>7,777</u>

5. Auditors' Remuneration

	<u>2021</u>	<u>2020</u>
	£	£
Auditors' remuneration in respect of the statutory audit of the Company	<u>17,976</u>	<u>9,790</u>

There were no non-audit fees payable to the auditors (2020: £nil).

Notes to the financial statements (continued)

6. Staff costs and directors' emoluments

(a) Staff Costs

	<u>2021</u>	<u>2020</u>
	£	£
Wages and salaries	1,947,485	1,856,291
Other payroll taxes	122,796	94,104
Defined contribution pension costs	116,115	106,657
	<u>2,186,397</u>	<u>2,057,052</u>

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

	<u>2021</u>	<u>2020</u>
	Number	Number
Fee earning staff	26	27
Administrative staff	3	1
	<u>29</u>	<u>28</u>

(b) Directors' emoluments

	<u>2021</u>	<u>2020</u>
	£	£
Directors' remuneration	<u>313,592</u>	<u>296,040</u>

In respect of the highest paid director:

Aggregate emoluments	185,181	174,829
Employer pension contributions	<u>5,983</u>	<u>5,021</u>

Notes to the financial statements (continued)

7. Taxation

(a) Tax charged in the income statement

	<u>2021</u>	<u>2020</u>
	£	£
Current income tax:		
UK corporation tax		
Adjustment to prior year	19,466	20,733
Foreign tax	130,522	62,173
Total current income tax	<u>149,988</u>	<u>82,906</u>
Origination and reversal of temporary differences	824	(1,451)
Adjustments in respect of prior periods	(687)	18,374
Effect of tax rate change on opening balance	(1,965)	-
Total deferred tax	<u>(1,828)</u>	<u>16,923</u>
Total tax charge in the income statement	<u>148,160</u>	<u>99,829</u>

(b) Reconciliation of the total tax charge

The tax expense in the income statement for the year is lower than the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are reconciled below:

	<u>2021</u>	<u>2020</u>
	£	£
Profit from continuing operations before taxation	323,106	140,620
Tax calculated at UK standard rate of corporation tax of 19.00% (2020: 19.00%)	61,390	26,718
Prior year adjustment - current tax	19,466	20,733
Irrecoverable foreign tax	69,956	34,004
Adjustments to tax charge in respect of previous periods - deferred tax	(687)	18,374
Change in tax laws and rates	(1,965)	-
Total tax charge reported in the income statement	<u>148,160</u>	<u>99,829</u>

Notes to the financial statements (continued)

7. Taxation (continued)

(c) Recognised tax losses

The Company has no tax losses carried forward in the UK as at 31 December 2021 (2020: £nil), on which a deferred tax asset is recognised.

(d) Other factors that may affect future tax charges

The standard corporation tax rate is 19% and is reflected in these accounts in the current tax rate. 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%.

(e) Deferred tax asset

Deferred tax is recognised in the financial statements as follows:

	2021 £	2020 £
Deferred tax asset		
At 1 January	7,982	24,905
Credited/(charged) to the income statement - current year	1,828	(16,923)
At 31 December	<u>9,810</u>	<u>7,982</u>
 Deferred tax provided in the financial statements is as follows:		
Capital allowances in advance of depreciation	8,214	6,223
Other timing differences	1,596	1,759
	<u>9,810</u>	<u>7,982</u>

Deferred tax assets	Accelerated Depreciation £	Corporation tax losses £	Other timing differences £	Total £
At 1 January 2020	6,447	17,983	475	24,905
Credited/(charged) to the income statement	(307)	-	1,758	1,451
Adjustments in respect of prior period	83	(17,983)	(474)	(18,374)
At 31 December 2020	6,223	-	1,759	7,982
Credited/(charged) to the income statement	1,141	-	(163)	978
Adjustments in respect of prior periods	850	-	-	850
At 31 December 2021	<u>8,214</u>	<u>-</u>	<u>1,596</u>	<u>9,810</u>

Deferred tax estimated to be recoverable within one year is £3,100 (31 December 2020: £2,758). There are no unrecognised deferred tax assets. The deferred tax asset is in respect of capital allowances in advance of depreciation and is expected to be recovered based on the company's current expected pattern of capital expenditure.

Notes to the financial statements (continued)

8. Property and equipment	Furniture & Equipment	Computer & Machinery	Total
	£	£	£
Cost			
At 1 January 2021	47,026	51,549	98,575
Additions	611	10,410	11,021
Foreign exchange	(3,606)	(4,157)	(7,763)
At 31 December 2021	44,031	57,802	101,833
Depreciation			
At 1 January 2021	46,121	37,389	83,510
Depreciation charge for the year	325	5,272	5,597
Foreign exchange	(3,530)	(2,968)	(6,498)
At 31 December 2021	42,916	39,693	82,609
Carrying amount			
At 31 December 2020	905	14,160	15,065
At 31 December 2021	1,115	18,109	19,224

9. Trade and other receivables

	2021	2020
	£	£
Trade receivables	1,107,609	540,447
Contract assets	249,773	379,090
Amounts owed by group undertakings	21,004	18,946
Other receivables	58,225	73,542
	1,436,611	1,012,025

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

Notes to the financial statements (continued)

10. Trade and other payables

	2021	2020
	£	£
Trade payables	96,420	14,170
Amounts owed to group undertakings	455,452	653,207
Other taxes and social security	120,319	90,336
Other payables	258,821	42,074
Lease liability (note 12)	37,567	96,465
Accruals	441,435	212,925
	<u>1,410,014</u>	<u>1,109,177</u>

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

11. Lease liabilities (non-current)

	2021	2020
	£	£
Lease liability (note 12)	<u>-</u>	<u>40,675</u>

12. Right-of-use assets

The carrying amounts of right-of-use assets recognised and the movements during the period year is as follows:

	2021	2020
	£	£
At 1 January	132,426	79,284
Additions	-	145,433
Depreciation expense	(89,982)	(92,800)
Foreign exchange	(8,236)	509
At 31 December	<u>34,208</u>	<u>132,426</u>

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

	2021	2020
	£	£
At 1 January	137,140	80,827
Additions	-	145,433
Accretion of interest	3,163	4,861
Payments	(94,160)	(94,285)
Foreign exchange	(8,576)	304
At 31 December	<u>37,567</u>	<u>137,140</u>
Current (note 10)	37,567	96,465
Non-current (note 11)	<u>-</u>	<u>40,675</u>
	<u>37,567</u>	<u>137,140</u>

Notes to the financial statements (continued)

12. Right-of-use assets (continued)

The following are the amounts recognised in profit or loss:

	2021	2020
	£	£
Amortisation expense of right-of-use assets	89,982	92,800
Interest expense on lease liabilities	3,163	4,861
Total amount recognised in profit or loss	<u>93,145</u>	<u>97,661</u>
	2021	2020
	£	£
Cash outflow for leases	<u>94,160</u>	<u>94,285</u>

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 paid after the reporting date.

	2021	2020
	£	£
Amounts payable:		
Within one year	38,118	99,818
After one to five years	-	41,271
Total undiscounted lease payments	<u>38,118</u>	<u>141,089</u>

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

	Buildings	Equipment	Total
Cost			
At 1 January 2021	224,677	-	224,677
Additions	-	-	-
Disposals	(77,662)	-	(77,662)
Exchange adjustment	(15,542)	-	(15,542)
At 31 December 2021	<u>131,473</u>	<u>-</u>	<u>131,473</u>
Accumulated depreciation			
At 1 January 2021	92,251	-	92,251
Depreciation for the year	89,982	-	89,982
Disposals	(77,662)	-	(77,662)
Exchange adjustment	(7,306)	-	(7,306)
At 31 December 2021	<u>97,265</u>	<u>-</u>	<u>97,265</u>
Net book value at 31 December 2020	<u>132,426</u>	<u>-</u>	<u>132,426</u>
Net book value at 31 December 2021	<u>34,208</u>	<u>-</u>	<u>34,208</u>

Notes to the financial statements (continued)

13. Share capital

	2021		2020	
	Number	£	Number	£
Allotted, called up and fully paid Ordinary shares of £1 each	25,000	25,000	25,000	25,000

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

14. Immediate and ultimate controlling party

The immediate parent undertaking is Currie & Brown International Limited, a company incorporated and domiciled in England and Wales.

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

15. Related party transactions

Transactions with fellow subsidiaries

During the year the Company entered into transactions, in the ordinary course of business, with related parties. The Company has taken advantage of the exemption 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. There are no transactions with other related parties which require disclosure in the financial statements.