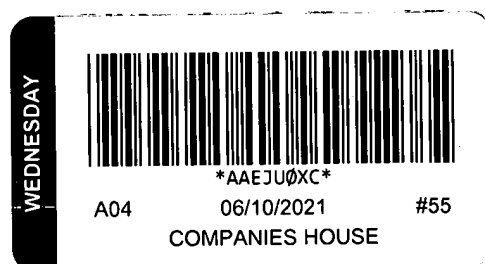

Registered number: 02005673

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021



BURO HAPPOLD CONSULTING ENGINEERS LIMITED

REPORT AND FINANCIAL STATEMENTS

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BURO HAPPOLD CONSULTING ENGINEERS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J A B Bruce
P S Dalglish
A J Harbinson
G W F Kirkwood
O C P Plunkett
N R Squibbs

COMPANY SECRETARY

D Conway

COMPANY NUMBER

02005673

REGISTERED OFFICE

Camden Mill
Lower Bristol Road
Bath
BA2 3DQ

AUDITOR

BDO LLP
55 Baker Street
London
W1U 7EU

BANKERS

HSBC Bank Middle East Limited
PO Box 66
Dubai
U.A.E.

Saudi Hollandi Bank
PO Box 1467
Riyadh 11431
Kingdom of Saudi Arabia

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

STRATEGIC REPORT **Year ended 30 April 2021**

BUSINESS DESCRIPTION

Buro Happold Consulting Engineers Limited is part of the Happold LLP group known as "Buro Happold", a global practice of engineers, consultants and advisers. Operating in 26 locations worldwide, with over 70 partners and 1,800 employees; for over 40 years we have built a world-class reputation for delivering creative, value led solutions for an ever challenging world.

As a truly interconnected community of experts, we value human wellbeing, encourage curiosity, embrace mutual responsibility and genuinely care about the impact and legacy of our work. We use our knowledge and skills to contribute positively to society and the environment. We help to create better outcomes for clients and the communities in which we live, work and play, whilst understanding that a sustainable future is intrinsic to the economic and social impact of our work.

The principal activity of the company is that of engineering and other related skills providing professional, integrated design, consultancy and advisory services to clients. These clients include the property and construction sectors, city administrations and campus portfolio owners as well as individual building owners.

STRATEGY

Our strategy remains consistent - we are building greater resilience and balance to our business by expanding our consultancy and advisory services and above all, attracting and retaining the very best talent.

By using technology to harvest and analyse data, our consultancy experts help clients to make the best decisions. The creation of a new building may not always be the right choice; adapting or repurposing existing facilities could provide a better, less impactful, solution. Our understanding of this data turns insight into opportunity and opportunity into revenue.

We advocate for sustainable development, will tread lightly on the earth and drive a positive response to the climate emergency. Through the lens of the built environment and broader societal planning, we deliver the future expectations of people and organisations to achieve more - health, wellness, enjoyment, effectiveness and equity; elevating the Buro Happold brand as an industry leader.

OPERATIONS

The company's operations are derived from activities performed primarily within the Middle East with key operations based in Dubai, U.A.E. A strong local presence enables the company to work closely with our clients to deliver innovative, cutting edge solutions that take into consideration local factors such as culture, legislation, climate and materials.

Key projects contributing to the performance of the company during the year include the following:

Museum of The Future, Dubai

Occupying a prime urban location adjacent to the Emirates Towers, the Museum of the Future will be a centre of creativity where you can see, touch and shape our shared future with a combination of exhibitions, immersive theatre and themed attractions. Our specialist engineers developed bespoke in-house optimisation routines to model and analyse numerous options for the structure to achieve the Museum of the Future's iconic torus shape with an elliptical void. The outcome was a solution comprised of a complex diagrid framework directly aligned to the torus shape and capable of supporting the 890 stainless steel and glass fibre reinforced polymer panels that form the intricate silvery facade.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

STRATEGIC REPORT (continued) Year ended 30 April 2021

OPERATIONS (continued)

Bee'ah Headquarters, Sharjah

Located in Sharjah, the UAE's third most populous city, Bee'ah is the Middle East's fastest growing environmental management company. Dedicated to an environmentally responsible future for the region, Bee'ah advocates revolutionary strategies for utilising renewable energy sources and setting benchmarks for sustainability. The organisation's new headquarters needed to embody their ethos and vision, creating a home for their 6,000 employees while facilitating the world leading activities taking place within its walls. Buro Happold's structural solutions enabled a design that might otherwise have been considered too complex to translate into reality. By simplifying the construction element, we have delivered buildability, cost-effectiveness and efficient time management.

KEY PERFORMANCE INDICATORS

The company assesses performance via the following key performance indicators:

	2021	2020	Change
Turnover (£'000)	13,235	19,452	(32%)
Operating profit (£'000)*	38	1,733	(98%)
Operating profit margin (%)	-	9%	(9%)
EBITDA (£'000)*	65	1,859	(97%)
Cash (£'000)	966	1,635	(41%)
Average number of employees	79	77	3%
Turnover per employee (£'000)	168	253	(34%)

*Operating profit, operating profit margin and EBITDA are all shown before other operating expense as the directors believe this assists with understanding the underlying performance of the company.

The company generated turnover of £13.2m (2020: £19.5m) predominately from projects located in the Middle East. Performance was heavily impacted by the COVID-19 pandemic with a slowdown of construction in the Middle East. Activity resumed in the second half of the year and 2021/22 appears promising with a healthy pipeline of projects due to commence.

The company will always be subject to exchange rate fluctuations due to the global spread of our business. This has resulted in an exchange loss in the year of £99,000 (2020: £5,000).

The average number of employees increased to 79, with turnover per employee decreasing 34% to £168,000 (2020: £253,000).

FUTURE DEVELOPMENTS

Whilst the effect of COVID-19 continues to have an impact on the company our solid portfolio of long term projects, with a pipeline of new ones, means we are well positioned to manage the longer term affects arising from the pandemic.

We will continue to balance geographies, sectors and services allowing us to deliver consistently excellent services to clients across locations and continue to build a more resilient business. Balance is key - between geographic footprint and client base, between buildings, cities and consulting; and between the sectors in which we operate. Through our pool of talented employees, we will continue to deliver exceptional results on world-class projects.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

STRATEGIC REPORT (continued) **Year ended 30 April 2021**

PRINCIPAL RISKS AND UNCERTAINTIES AND MATTERS OF STRATEGIC IMPORTANCE

The principal risks and uncertainties and matters of strategic importance faced by the business include:

Key staff - Our ability to retain key staff remains critical to the company's success. This risk is mitigated through fairness, diversity and equality, a culture of effective performance management and reward, career planning, and a commitment to training and development programmes.

Competition - We exist in a competitive market with a high risk of commoditisation. Our continual investment in technology, thought leadership and our appetite for challenging projects allow the company to retain its competitive advantage. Our agility enables us to rapidly move work and people globally to support these ambitions.

Litigation - The risk of litigation arising from failure or negligence in the acceptance, contracting for or performance of client work is mitigated through established policies on contract acceptance, rigorous technical and commercial review, training and a suitable level of PI insurance.

Management of projects - A key focus of the company is the management of our projects. There are risks associated with all aspects of our project life cycle, from bidding and project management through to technical delivery and financial control. The physical, political and economic factors that occur in the environments in which we operate are also considered when assessing risks. Inadequate project management could lead to financial loss, contractual disputes and possible litigation. To mitigate this the Buro Happold group has invested in a simple to use, universal system for planning, managing and delivering projects. Extensive project management training is provided to ensure appropriately skilled staff are used on projects. Technical project reviews are undertaken regularly, augmented by a strong internal control environment.

Cyber risk and or customer / personal data breach - The risk of cyber-attacks or hacking has the potential to affect our ability to operate. The group is also exposed to the risk of financial penalties or reputational damage for failing to protect the data we hold on our stakeholders. To address these risks, we have obtained the Cyber Essentials Plus Certification, a UK government backed scheme, certifying that we take our information security seriously. A review of our data protection methodologies and procedures has also been carried out in line with the General Data Protection Regulation.

This report was approved by the board on 4 August 2021 and signed on its behalf.



J A B Bruce
Director

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

DIRECTORS' REPORT **Year ended 30 April 2021**

The directors present their report and the financial statements for the year ended 30 April 2021.

DIRECTORS

The directors who served during the year, were:

J A B Bruce	O C P Plunkett
P S Dalglish	A Scotti (resigned 30 September 2020)
A J Harbinson	N R Squibbs
G W F Kirkwood (appointed 9 June 2021)	

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £80,000 (2020: £2,362,000). No dividend was paid and declared in the year (2020: nil).

RESEARCH AND DEVELOPMENT ACTIVITIES

Research and development expenditure is incurred by the company on a number of innovative projects which seek to achieve an advance in science or technology. Research and development expenditure can vary year on year depending on the nature of projects undertaken by the company. During the year £nil (2020: £0.4m) expenditure was deemed to be of a research and development nature.

EMPLOYEE INFORMATION

We are dependent on the skills and commitment of our people, and throughout the year we have been extremely proud to be able to attract and nurture exceptional talent at all levels. Through development, succession planning and strategic recruitment we aim to ensure our leadership capabilities are focussed where they are most needed, facilitating sustainable growth throughout the business. We engage employees through our Young Engineers Forum, Share our Skills and other programmes, which help to inspire the next generation of engineers and professionals.

We are a diverse and inclusive practice, reflecting the varied cultures of the communities and clients we serve. We strive to not only create a sense of belonging but also a safe and inclusive workplace for all our employees to thrive and be accepted for who they are. By looking at our business practices and activities through an inclusivity lens, we will continue to enhance our people practices, and in addressing bias and supporting the development and visibility of underrepresented employees, we aim to further promote the rich diversity of our employees' experiences, talent and ideas.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

DIRECTORS' REPORT (continued)

Year ended 30 April 2021

EMPLOYEE INFORMATION (continued)

Finally, through our diverse teams, we provide innovative and relevant solutions to our clients and the communities we serve, supporting while providing career development support through our culture of continuous learning.

EMPLOYMENT POLICY

The company is an inclusive employer and actively encourages participation from a wide range of skilled employees. It is the company's policy to ensure adequate provision for the diversity, equality, health, safety, welfare and training of its employees.

The company seeks to keep its employees informed on all aspects of the business through structured management meetings and in-house publications.

The company has continued its policy regarding employment of disabled persons. Full and fair consideration is given to applications for employment made by disabled persons having regard for their particular aptitudes and abilities.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company is exposed to a number of financial risks including credit risk, cash flow risk and foreign exchange risk.

Credit risk – The risk of clients being unable to pay for work performed by the company could impact the company's cash flow. The risk is mitigated via appropriate credit checks being made on potential clients before work commences on projects.

Cash flow risk – The majority of the company's costs, including payroll, are paid before fees are settled by clients. Insufficient working capital could lead to increased use of banking facilities and associated costs. The company maintains close working relationships with clients and seeks advance receipts on contracts where possible.

Foreign exchange risk – The Company reports its results in sterling, however the majority of the company's income is generated overseas and denominated in other currencies. Significant movements in foreign exchange will affect the sterling result reported by the company and the value of assets and liabilities denominated in foreign currencies on the balance sheet. Exchange rate movements are kept under constant review and appropriate techniques of currency risk management are used where appropriate.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report and 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

DIRECTORS' REPORT (continued) **Year ended 30 April 2021**

DIRECTORS' RESPONSIBILITIES STATEMENT (continued)

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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.

PROVISION OF INFORMATION TO THE AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 4 August 2021 and signed on its behalf.



J A B Bruce
Director

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURO HAPPOLD CONSULTING ENGINEERS LIMITED

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 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.

We have audited the financial statements of Buro Happold Consulting Engineers Limited ("the Company") for the year ended 30 April 2021 which comprise statement of comprehensive income, the statement of financial position, the statement of changes in equity, and the notes to the financial statements, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

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.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURO HAPPOLD CONSULTING ENGINEERS LIMITED (continued)

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report, Directors' Report and Financial Statements other than the financial statements and our auditor's report thereon. 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.

OTHER COMPANIES ACT 2006 REPORTING

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the 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, 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.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURO HAPPOLD CONSULTING ENGINEERS LIMITED (continued)

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.

Extent to which the audit was 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 obtained an understanding of the legal and regulatory frameworks that are applicable to Buro Happold Consulting Engineers Limited. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (FRS 102 and the Companies Act 2006), regulations impacting labour regulations and tax in the United Kingdom.

- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and inspection of legal fee expenses incurred in the year.

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

- 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 it is considered there was a susceptibility of fraud. We also considered potential fraud drivers: including financial or other pressures, opportunity, and personal or corporate motivations. 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 senior management monitors those programmes and controls. Where the risk was considered higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals, and key areas of estimation uncertainty or judgement, for example; provisions and estimations of costs to complete on long term projects.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

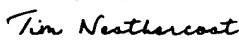
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURO HAPPOLD CONSULTING ENGINEERS LIMITED (continued)

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.

DocuSigned by:

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Tim Neathercoat (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date 05 August 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

BURO HAPPOLD CONSULTING ENGINEERS LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
Year ended 30 April 2021

	Note	2021 £'000	2020 £'000
TURNOVER	3	13,235	19,452
Cost of sales		(13,197)	(17,719)
OPERATING PROFIT BEFORE OTHER OPERATING EXPENSE		38	1,733
Income from shares in subsidiary undertakings		-	1,053
Other operating expense	4	(146)	(11)
OPERATING (LOSS)/PROFIT	5	(108)	2,775
Interest receivable from group undertakings		139	147
Interest payable to group undertakings		(69)	(65)
(LOSS)/PROFIT BEFORE TAXATION		(38)	2,857
Tax on (loss)/profit	8	118	(495)
PROFIT AFTER TAXATION		80	2,362
OTHER COMPREHENSIVE (EXPENSE)/INCOME			
Foreign exchange movements		(538)	128
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR		(458)	2,490

All amounts relate to continuing operations.

The notes on pages 15 to 28 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
At 30 April 2021

	Note	2021		2020	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	9		38		58
Investments	10		65		65
			<u>103</u>		<u>123</u>
CURRENT ASSETS					
Debtors	11	10,911		10,300	
Cash at bank and in hand		966		1,635	
		<u>11,877</u>		<u>11,935</u>	
CREDITORS: Amounts falling due within one year	12	(4,799)		(4,409)	
NET CURRENT ASSETS			<u>7,078</u>		<u>7,526</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,181</u>		<u>7,649</u>
CREDITORS: Amounts falling due after more than one year	14		(1,463)		(1,437)
PROVISIONS FOR LIABILITIES					
Provisions	15		(58)		(94)
NET ASSETS			<u>5,660</u>		<u>6,118</u>
CAPITAL AND RESERVES					
Called up share capital	16		500		500
Profit and loss account	16		5,160		5,618
TOTAL EQUITY			<u>5,660</u>		<u>6,118</u>

The financial statements on pages 12 to 28 were approved and authorised for issue by the board and were signed on its behalf on 4 August 2021.



J A B Bruce
Director

The notes on pages 15 to 28 form part of these financial statements.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 April 2021

	Share capital £'000	Profit and loss account £'000	Total £'000
BALANCE AT 1 MAY 2019	500	3,128	3,628
Profit for the year	-	2,362	2,362
Other comprehensive income for the year	-	128	128
BALANCE AT 30 APRIL 2020	<u>500</u>	<u>5,618</u>	<u>6,118</u>
 BALANCE AT 1 MAY 2020	500	5,618	6,118
Profit for the year	-	80	80
Other comprehensive expense for the year	-	(538)	(538)
BALANCE AT 30 APRIL 2021	<u>500</u>	<u>5,160</u>	<u>5,660</u>

The notes on pages 15 to 28 form part of these financial statements.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 30 April 2021**

1. ACCOUNTING POLICIES

1.1 General information

Buro Happold Consulting Engineers Limited is a private company limited by shares domiciled in Dubai and incorporated in England and Wales. The address of the company's registered office is given on page 1. The company's principal activities and nature of operations are set out in the Strategic Report on pages 2 - 4.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Monetary amounts are rounded to the nearest whole £1,000, except where otherwise indicated.

Consolidated financial statements

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 400 of the Companies Act 2006 not to prepare consolidated financial statements as it is included by full consolidation in the consolidated financial statements of its ultimate parent, Happold LLP, a Limited Liability Partnership based in England and Wales. The consolidated financial statements of Happold LLP are available from its registered office, Camden Mill, Lower Bristol Road, Bath, BA2 3DQ.

Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts for financial instruments measured at amortised cost or cost less impairment, interest income/expense and net gains/losses for financial instruments measured at amortised cost; and
- Section 33 'Related-Party-Disclosures' – Compensation for key management personnel.

Going concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the directors have considered the company's operations and principal risks and uncertainties, along with the impact of the COVID-19 pandemic. As a professional services firm providing a wide variety of high-end consultancy services to a broad range of markets, the company has both a natural resilience and an ability to adapt in response to changes in global economic conditions, such as those arising from COVID-19.

The company reacted swiftly to the impact of COVID-19 and continues to execute a well-developed plan to manage our resource and maintain a robust liquidity position. Future operating plans are reviewed regularly to aid timely decision-making and allow appropriate action to be taken if required.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 30 April 2021**

1. ACCOUNTING POLICIES (continued)

1.2 Basis of preparation of financial statements (continued)

As part of the going concern assessment a detailed modelling exercise has been performed at the Buro Happold group level, of which the company is a wholly-owned subsidiary. A base case model was created which has been stress-tested and sensitised. Under the sensitised model an adverse impact on revenue was anticipated with a corresponding reduction in direct costs. Both models include an element of discretionary spend which the group has the ability to constrain to conserve short term cash if required. Under both models, the group maintains a healthy net cash position.

The Happold LLP group has a £20m multicurrency Revolving Credit Facility ('RCF') with HSBC UK. These financial arrangements are subject to certain financial covenants which are tested every quarter. If results were to be in line with the sensitised model, the group would not breach the financial covenants for a period of no less than 12 months from approval of the financial statements.

A review was performed to determine the point at which covenants would be breached. The directors consider the likelihood of this scenario arising to be remote since current trading is performing well above this. If there were a significant downward trend in results, there are additional mitigating actions available to the group and company to prevent the covenants being breached.

Based on this assessment, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and, consequently, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Turnover

Turnover represents the fair value of amounts received or receivable for the sale of services to external customers in the ordinary nature of the business. Turnover is shown net of value added tax.

Turnover from contracts for the provision of professional design and advisory services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and sub contract costs, as a proportion of total costs. There is no minimum stage of completion which must be reached before profit can be recognised. However, where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

Turnover also includes appropriate amounts in respect of long-term work in progress as described in the long term contracts policy below, to the extent that the outcome of these contracts can be assessed with reasonable certainty.

1.4 Long term contracts and revenue recognition

Revenue is recognised in line with the completion of projects. The percentage completion is determined using the cost approach. Costs incurred to date are compared to total project cost to completion, with revenue recognised accordingly. Profit is only recognised to the extent that the total project is assessed to be profitable. Provision is made for any future losses as soon as they are foreseen.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 30 April 2021**

1. ACCOUNTING POLICIES (continued)

1.4 Long term contracts and revenue recognition (continued)

For contracts where turnover exceeds fees rendered, the excess is included as amounts recoverable on long term contracts, within debtors. For contracts where fees rendered exceeds turnover, the excess is included in payments on account, within creditors.

1.5 Research and development

Research and development expenditure is written off in the year in which it is incurred.

1.6 Income from shares in group undertakings

Dividend income is recognised when the company's right to receive payment is established.

1.7 Above the line tax credits

Above the line tax credits are claimed based on a proportion of research and development expenditure incurred. Any current asset recognised in respect of the tax recoverable is recognised to the extent that it is considered probable that the asset will be recoverable in the future.

1.8 Foreign currencies

The financial statements are presented in sterling, the presentational currency of the company. The functional currency of the company is United Arab Emirates Dirhams.

Assets and liabilities have been translated into sterling using the rate of exchange prevailing at the balance sheet date. The result for the year has been translated using average exchange rates.

In line with FRS 102, exchange gains and losses arising on the translation from AED to GBP are presented in the statement of comprehensive income.

Transactions settled in the year in foreign currencies are translated into the functional currency at the rate ruling on the date of the transaction. Exchange gains and losses on these transactions are recognised in the statement of comprehensive income.

1.9 Interest receivable

Interest receivable from group undertakings is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

1.10 Taxation

The taxation expense represents the sum of the current tax expense and the deferred tax expense.

Current and deferred taxation assets or liabilities are not discounted.

Current taxation

Current tax is based on taxable profit for the year, with a current tax asset recognised when the tax paid exceeds the tax payable. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 30 April 2021**

1. ACCOUNTING POLICIES (continued)

1.10 Taxation (continued)

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.11 Investments

Fixed asset investments are stated at cost and subsequently measured at cost less any accumulated impairment losses.

1.12 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements – over the life of lease or useful economic life whichever is shorter

Fixtures, fittings and equipment – 10-33% straight line

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of the reporting period. The effect of any change is accounted for prospectively.

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply.

Subsequent costs, including replacement parts and major inspections, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts of previous inspections are then derecognised. All other costs of repairs and maintenance are charged to profit or loss as they are incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 30 April 2021**

1. ACCOUNTING POLICIES (continued)

1.13 Leases

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leases

Rentals under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as incentives to sign an operating lease are accounted for as a reduction to the expense and are recognised, on a straight line basis over the lease term.

1.14 Financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors

Trade, group and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the profit or loss.

Financial liabilities

Financial instruments are classified as liabilities according to the substance of the contractual arrangements entered into.

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 30 April 2021**

1. ACCOUNTING POLICIES (continued)

1.15 Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and termination benefits.

Annual bonus

The company operates an annual bonus arrangement for employees. An expense is recognised in the statement of comprehensive income when the company has a legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made.

Short term benefits

Short-term employee benefits, including holiday pay are recognised as an expense in the period in which the service is received.

Termination benefits

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the company is demonstrably committed to terminate the employment or to provide termination benefits.

1.16 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In producing the financial statements, the company has to make judgements and estimates that directly affect the reported amounts of turnover, expenses, assets and liabilities. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and assumptions concern the future and will, by definition, seldom equal the related actual results. The estimates and judgements that have the most significant effect on the amounts recognised in the financial statements are discussed below:

Revenue recognition

The company believes that the most significant judgement is made in relation to revenue recognition. Revenue is recognised in line with the completion of projects, using the cost approach which involves estimating the total costs of projects. The company has established procedures to ensure that contracts and estimated costs to completion are reviewed regularly.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 April 2021

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT (continued)

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When making an assessment as to the impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtor and historical experience.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives are reviewed and amended when necessary to reflect current estimates, based on technological advancement, economic utilisation and the physical condition of the assets.

Amounts due from group companies

The company makes an assessment as to the recoverability of amounts due from group companies by considering the respective company's performance, position and ability to settle the balances.

3. TURNOVER

Turnover originates from the United Arab Emirates. An analysis of turnover by destination is as follows:

Turnover	2021 £'000	2020 £'000
UK	81	3
Europe	25	7
Middle East	12,973	19,217
United States	-	2
Rest of the World	156	223
	<u>13,235</u>	<u>19,452</u>

4. OTHER OPERATING EXPENSE

	2021 £'000	2020 £'000
Foreign exchange loss	99	5
Research and development tax expense	47	6
	<u>146</u>	<u>11</u>

BURO HAPPOLD CONSULTING ENGINEERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
Year ended 30 April 2021**5. OPERATING (LOSS)/PROFIT**

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

	2021	2020
	£'000	£'000
Depreciation of tangible fixed assets:		
- owned by the company	27	126
Operating lease rentals:		
- land and buildings	197	234
Foreign exchange loss	99	5
Research and development expenditure written off	-	388
Impairment loss on trade receivables	284	98
	<u> </u>	<u> </u>

Fees payable to the company's auditor its associates in respect of audit services are as follows:

	2021	2020
	£'000	£'000
Audit services – statutory audit of the company	23	22
	<u> </u>	<u> </u>

In accordance with SI 2008/489 the company has not disclosed the fees payable to the company's auditor for 'other services' as this information is included in the consolidated financial statements of Happold LLP.

6. STAFF COSTS

Staff costs were as follows:

	2021	2020
	£'000	£'000
Wages and salaries	6,894	7,425
	<u> </u>	<u> </u>

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

	2021	2020
Technical staff	62	61
Administration staff	17	16
	<u> </u>	<u> </u>
	79	77
	<u> </u>	<u> </u>

7. DIRECTORS' REMUNERATION

	2021	2020
	£'000	£'000
Emoluments	700	770
	<u> </u>	<u> </u>

BURO HAPPOLD CONSULTING ENGINEERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
Year ended 30 April 2021**7. DIRECTORS' REMUNERATION (continued)**

The amounts shown above represent amounts paid to directors by Buro Happold Consulting Engineers Limited. Some of the directors were also entitled to profit shares from Happold LLP, the ultimate parent undertaking.

Highest paid director	2021 £'000	2020 £'000
Aggregate emoluments	<u>358</u>	<u>459</u>

No pension contributions were paid on behalf of the directors during 2021 (2020: £nil).

8. TAX ON (LOSS)/PROFIT	2021 £'000	2020 £'000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax on the (loss)/profit for the year	-	374
Foreign taxation	55	228
Adjustments in respect of prior years	(176)	(62)
Double tax relief	-	(1)
Total current tax	<u>(121)</u>	<u>539</u>
Deferred tax (see note 13)		
Origination and reversal of timing differences	3	(44)
Total deferred tax	<u>3</u>	<u>(44)</u>
Tax on (loss)/profit	<u>(118)</u>	<u>495</u>

BURO HAPPOLD CONSULTING ENGINEERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
Year ended 30 April 2021**8. TAX ON (LOSS)/PROFIT (continued)****Factors affecting tax charge for the year**

	2021	2020
	£'000	£'000
(Loss)/profit before tax	(38)	2,857
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(7)	543
Effects of:		
Expenses not deductible for tax purposes	-	24
Ineligible fixed asset expenditure	-	9
Income not taxable for tax purposes	-	(200)
Unrelieved tax losses carried forward	8	-
Foreign tax credits	(11)	-
Foreign tax at different rates	59	227
Research and development tax adjustment	9	(7)
Prior year adjustment	(176)	(62)
Adjust closing deferred tax to average rate	-	(4)
Deferred tax not recognised	-	(35)
Tax charge for the year (see note above)	(118)	495

Factors that may affect future tax charges

As per the government Budget 2021 the corporation tax rate will remain at 19% for the year commencing on 1 April 2021, increasing to 25% from 1 April 2023.

The directors are not aware of any other factors that could materially affect the future tax charge.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2021

9. TANGIBLE FIXED ASSETS

	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At 1 May 2020	398	366	764
Additions	-	11	11
Foreign exchange	(35)	(33)	(68)
At 30 April 2021	363	344	707
Depreciation			
At 1 May 2020	396	310	706
Charge for year	2	25	27
Foreign exchange	(35)	(29)	(64)
At 30 April 2021	363	306	669
Net book value			
At 30 April 2021	-	38	38
At 30 April 2020	2	56	58

10. FIXED ASSET INVESTMENTS

	Other fixed asset investments £'000
Cost or valuation	
At 1 May 2020 and 30 April 2021	65
Net book value	
At 1 May 2020 and 30 April 2021	65

Subsidiary undertakings

The following was a subsidiary undertaking of the company:

	Country of registration or incorporation	Nature of business	Share held class	Proportion of shares held
Buro Happold & Partner Consulting Engineers Company	Saudi Arabia	Consulting engineers	Ordinary	75%

Buro Happold & Partner Consulting Engineers Company's registered address is Office 515, Al Akariyah 2, Olaya Street, Saudi Arabia.

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2021

11. DEBTORS

	2021	2020
	£'000	£'000
Trade debtors	4,760	5,532
Amounts owed by group undertakings	4,491	3,290
Other debtors	341	405
Corporation tax	5	-
Prepayments and accrued income	127	111
Amounts recoverable on long term contracts	1,146	918
Deferred tax asset (see note 13)	41	44
	<u>10,911</u>	<u>10,300</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Payments on account	1,979	639
Trade creditors	728	1,067
Amounts owed to group undertakings	541	697
Accruals and deferred income	1,503	1,935
Social security and other taxes	45	26
Other creditors	3	4
Corporation tax	-	41
	<u>4,799</u>	<u>4,409</u>

13. DEFERRED TAX ASSET

	2021	2020
	£'000	£'000
At beginning of year	44	-
(Charge)/credit for year	(3)	44
	<u>41</u>	<u>44</u>

Deferred taxation is made up as follows:

	2021	2020
	£'000	£'000
Accelerated capital allowances	<u>41</u>	<u>44</u>

14. CREDITORS: Amounts falling due after more than one year

	2021	2020
	£'000	£'000
Other creditors	<u>1,463</u>	<u>1,437</u>

BURO HAPPOLD CONSULTING ENGINEERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
Year ended 30 April 2021**15. PROVISIONS**

	2021	2020
	£'000	£'000
At 1 May 2020	94	119
Additions	41	62
Utilised in the period	(70)	(91)
Foreign exchange	(7)	4
	<u>58</u>	<u>94</u>
At 30 April 2021		

The provision reflects management's estimate of anticipated future losses on contracts.

16. SHARE CAPITAL

	2021	2020
	£'000	£'000
Allotted, called up and fully paid		
500,000 – Ordinary shares of £1 each	<u>500</u>	<u>500</u>

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

Reserves

The company's only reserve is retained earnings which represents the cumulative profit and loss, net of distributions.

17. OPERATING LEASE COMMITMENTS

At 30 April 2021 the company had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	
	2021	2020
	£'000	£'000
Expiry date:		
Within 1 year	184	88
Between 1 and 5 years	400	-
	<u>584</u>	<u>88</u>

BURO HAPPOLD CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 30 April 2021**

18. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption from disclosing transactions and balances with other wholly owned group undertakings as permitted by Section 33 'Related Party Disclosures' of FRS 102.

Transactions between the company and fellow group undertakings which are not wholly owned are disclosed below:

	2021	2020
	£'000	£'000
Sales of services	1,421	2,061
Purchases of services	82	346
Amounts owed by related parties at year end	2,198	970

Provision of services to and purchases of services from related parties were made at the rates charged to external customers. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provision has been made for doubtful debts in respect of amounts owed by related parties and £nil (2020: £nil) charged to profit and loss.

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors consider the ultimate parent undertaking to be Happold LLP, a Limited Liability Partnership registered in the England and Wales. Happold LLP is the smallest and largest Limited Liability Partnership for which consolidated accounts including Buro Happold Consulting Engineers Limited are prepared. The consolidated accounts of Happold LLP are available from its registered office, Camden Mill, Lower Bristol Road, Bath, BA2 3DQ.

The company's immediate parent undertaking at the balance sheet date was Buro Happold Engineers Limited, a company registered in England and Wales.