

**BURO HAPPOLD ENGINEERS LIMITED**

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2019**



# **BURO HAPPOLD ENGINEERS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

### **CONTENTS**

	<b>Page</b>
Officers and professional advisers	<b>1</b>
Strategic report	<b>2</b>
Directors' report	<b>3</b>
Independent auditor's report	<b>6</b>
Statement of income and retained earnings	<b>9</b>
Statement of financial position	<b>10</b>
Notes to the financial statements	<b>11</b>

# **BURO HAPPOLD ENGINEERS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

N K Billett  
J A B Bruce  
M L Melville  
P Rogers  
N R Squibbs  
R Sykes

### **COMPANY SECRETARY**

D Conway

### **COMPANY NUMBER**

02005893

### **REGISTERED OFFICE**

Camden Mill  
Lower Bristol Road  
Bath  
BA2 3DQ

### **AUDITOR**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

### **BANKERS**

HSBC Bank plc  
71 Queen Victoria Street  
London  
EC4V 4AY

# **BURO HAPPOLD ENGINEERS LIMITED**

## **STRATEGIC REPORT**

**Year ended 30 April 2019**

### **PRINCIPAL ACTIVITY**

The principal activity of the company continues to be that of providing employee services to Buro Happold Limited.

### **REVIEW OF BUSINESS**

During 2018/19 the company increased turnover by 5% to £53.9m (2018: £51.5m) due to an increase in the recharge of staff costs to Buro Happold Limited. As a consultancy practice, our most important asset lies in the skills and commitment of our people, as a result the company increased employee bonuses, leading to an increase in staff costs despite a reduction in the average number of employees.

The company has continued to sub-let some of its offices, generating rental income of £0.1m (2018: £0.3m). The reduction compared to 2018 being due to a decrease in the volume of space being sub-let.

Profit before taxation has decreased to £6.7m (2018: £8.9m), largely attributable to the reduction in dividend income from group undertakings of £4.2m (2018: £6.5m).

### **KEY PERFORMANCE INDICATORS**

The company assesses performance via the following key performance indicators:

	<b>2019</b>	<b>2018</b>	<b>Change</b>
Turnover (£'000)	53,884	51,462	5%
Operating profit (£'000)	2,472	2,159	14%
Operating profit margin (%)	5%	4%	1%
Average number of employees	932	961	(3%)

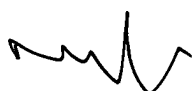
### **FUTURE DEVELOPMENTS**

Indications so far in 2019/20 are that the company will continue to provide employee services to Buro Happold Limited. These services are expected to increase in line with the anticipated growth of Buro Happold Limited.

### **PRINCIPAL RISKS AND UNCERTAINTIES AND MATTERS OF STRATEGIC IMPORTANCE**

Key staff - Retention and employment of 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.

This report was approved by the board on 7 August 2019 and signed on its behalf.



**N R Squibbs**  
Director

## **BURO HAPPOLD ENGINEERS LIMITED**

### **DIRECTORS' REPORT** **Year ended 30 April 2019**

The directors present their report and the financial statements for the year ended 30 April 2019.

### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £6.2m (2018 £8.6m). During the year an interim dividend of £3.8m (2018: £10.7m) was declared and paid. The directors do not recommend payment of a final dividend (2018: £nil).

### **DIRECTORS**

The directors who served during the year, and up to the date of this report, were:

N K Billett  
J A B Bruce  
M L Melville

P Rogers  
N R Squibbs  
R Sykes

### **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.

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.

**DIRECTORS' REPORT (continued)**  
**Year ended 30 April 2019**

**THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS**

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

**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. 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 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.

**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.

**DIRECTORS' REPORT (continued)**  
**Year ended 30 April 2019**

**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 7 August 2019 and signed on its behalf.



**N R Squibbs**  
Director

## **BURO HAPPOLD ENGINEERS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF BURO HAPPOLD ENGINEERS LIMITED**

#### **OPINION**

We have audited the financial statements of Buro Happold Engineers Limited ("the Company") for the year ended 30 April 2019 which comprise the statement of income and retained earnings, the statement of financial position, 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **OTHER INFORMATION**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, 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.



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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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.

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

**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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**USE OF OUR REPORT**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date **7 AUGUST 2019**

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

# **BURO HAPPOLD ENGINEERS LIMITED**

## **STATEMENT OF INCOME AND RETAINED EARNINGS** **Year ended 30 April 2019**

	Note	2019	2018
		£'000	£'000
<b>TURNOVER</b>	3	53,884	51,462
Cost of sales		(51,412)	(49,303)
<b>OPERATING PROFIT</b>	3,5	2,472	2,159
Income from shares in group undertakings		4,152	6,486
Other income	4	94	272
<b>PROFIT BEFORE TAXATION</b>		6,718	8,917
Tax on profit	8	(481)	(322)
<b>PROFIT AFTER TAXATION</b>		6,237	8,595
Retained earnings at 1 May		2,777	4,877
Dividend	9	(3,765)	(10,695)
<b>RETAINED EARNINGS AT 30 APRIL</b>		5,249	2,777

All amounts relate to continuing operations.

There are no recognised gains or losses for the current or prior financial year other than as stated in the statement of income and retained earnings. Accordingly, no statement of comprehensive income is presented.

The notes on pages 11 to 20 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
**At 30 April 2019**

	Note	2019		2018	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Investments	10		771		771
<b>CURRENT ASSETS</b>					
Debtors due within one year	12	14,166		7,736	
Cash at bank and in hand		7		41	
		<u>14,173</u>		<u>7,777</u>	
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(9,694)</u>		<u>(5,770)</u>	
<b>NET CURRENT ASSETS</b>			<u>4,479</u>		<u>2,007</u>
<b>NET ASSETS</b>			<u>5,250</u>		<u>2,778</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		1		1
Profit and loss account	15		5,249		2,777
<b>TOTAL EQUITY</b>			<u>5,250</u>		<u>2,778</u>

The financial statements on pages 9 to 20 were approved and authorised for issue by the directors and were signed on their behalf on 7 August 2019.



**N R Squibbs**  
Director

The notes on pages 11 to 20 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 April 2019**

**1. ACCOUNTING POLICIES**

**1.1 General information**

Buro Happold Engineers Limited is a private company limited by shares, and is registered, domiciled 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 page 2.

**1.2 Basis of preparation of financial statements**

These 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 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 incorporated 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'; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

*Going concern*

The company ensures it meets its day to day working capital needs from its cash balances.

The company has prepared forecasts for the next 12 months that show that it will be able to operate within its available facilities throughout the forecast period. The directors have reviewed the forecasts and are satisfied that they are achievable and, consequently, provide an appropriate basis for their assessment of going concern.

As a result, 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.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 April 2019**

**1. ACCOUNTING POLICIES (continued)**

**1.3 Functional and presentational currencies**

The financial statements are presented in sterling, which is also the functional currency of the company.

**1.4 Turnover**

Turnover represents the fair value of the consideration received or receivable for the sale of employee services to other group companies, stated net of value added tax.

**1.5 Income from shares in group undertakings**

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

**1.6 Other income**

*Rental income*

Rental income on assets leased under operating leases is recognised on a straight line basis over the lease term and is presented within other income.

**1.7 Investments**

Fixed asset investments are initially measured at cost less any accumulated impairment losses. Fixed asset investments are assessed for impairment at each reporting date. Any impairment losses are recognised immediately in profit and loss.

**1.8 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.

**1.9 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.

*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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 April 2019**

**1. ACCOUNTING POLICIES (continued)**

**1.9 Taxation (continued)**

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.

**1.10 Employee benefits**

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

*Annual bonus*

The company operates an annual bonus arrangement for employees. An expense is recognised in the profit and loss account 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.

*Defined contribution pension plan*

The entity operates a defined contribution pension scheme for employees. The pension charge represents the amount payable by the entity to the fund during the year. Amounts not paid are shown in other creditors.

**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:

*Deferred tax*

The valuation of deferred tax assets is dependent on assumptions related to future profitability. The company reviews profit forecasts in order to ascertain the value of the asset to be carried forward.

*Operating leases*

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the company.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 April 2019**

**3. GEOGRAPHICAL ANALYSIS**

The turnover, operating profit and net assets of the company have been wholly derived from its principal activity wholly undertaken in the UK.

<b>4. OTHER INCOME</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Rental income	94	272

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2019 £'000</b>	<b>2018 £'000</b>
Operating lease rentals:		
- land and buildings	1,661	1,518

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

	<b>2019 £'000</b>	<b>2018 £'000</b>
Audit services – statutory audit of the company	11	10

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.

<b>6. DIRECTORS' REMUNERATION</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Emoluments	586	406
<b>Highest paid director</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Aggregate emoluments	340	201

Pension contributions of £35,000 (2018: £36,000) were paid on behalf of the directors. Any directors who are also partners in the parent LLP are remunerated through the LLP.



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 April 2019**

**7. STAFF COSTS**

Staff costs were as follows:

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
Wages and salaries	38,395	37,217
Social security costs	4,168	4,058
Other pension costs	5,145	4,671
	<u>47,708</u>	<u>45,946</u>

The average monthly number of persons (excluding directors who are members of the parent LLP) employed during the year was as follows:

	<b>2019</b> <b>No.</b>	<b>2018</b> <b>No.</b>
Technical staff	672	699
Support staff	260	262
	<u>932</u>	<u>961</u>

**8. TAX ON PROFIT**

**Analysis of tax charge in the year**

**Current tax** (see note below)

UK corporation tax charge on profit for the year	<u>485</u>	<u>331</u>
<b>Total current tax</b>	<b>485</b>	<b>331</b>

**Deferred tax** (see note 14)

Origination and reversal of timing differences	(4)	(8)
Adjustments in respect of prior years	-	(1)
<b>Total deferred tax</b>	<u>(4)</u>	<u>(9)</u>
<b>Tax on profit</b>	<b>481</b>	<b>322</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 April 2019**

**8. TAX ON PROFIT (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018 – 19%). The differences are explained below:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Profit before tax	6,718	8,917
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19%)	1,276	1,694
<b>Effects of:</b>		
Income not taxable	(789)	(1,232)
Other timing differences	-	4
Group relief claimed	(7)	(143)
Adjust closing deferred tax to average rate	9	1
Adjustments in respect of prior years	(8)	(2)
<b>Total tax charge for the year (see note above)</b>	<b>481</b>	<b>322</b>

**Factors that may affect future tax charges**

The corporation tax rate will remain at 19% for the year commencing on 1 April 2019 and reduce to 17% for the year commencing on 1 April 2020.

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

**9. DIVIDEND**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Interim dividend for the year of £1,000 per share	3,765	10,695

**10. FIXED ASSET INVESTMENTS**

	<b>Shares in group undertakings</b>
	<b>£'000</b>
<b>Cost</b>	
At 30 April 2018 and 30 April 2019	771

# **BURO HAPPOLD ENGINEERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 April 2019**

### **10. FIXED ASSET INVESTMENTS (continued)**

Details of the principal subsidiaries can be found under note 11.

### **11. PRINCIPAL SUBSIDIARIES**

<b>Company name</b>	<b>Country</b>	<b>Activity</b>	<b>Registered Address</b>
Buro Happold Consulting Engineers Limited	England	(a)	Camden Mill, Bath, BA2 3DQ
Buro Happold Limited	England	(a)	Camden Mill, Bath, BA2 3DQ
Happold Ingenieurburo GmbH	Germany	(a)	43-44 Pfalzburger St, Berlin
BH Geoenvironmental Limited	England	(a)	Camden Mill, Bath, BA2 3DQ
Buro Happold Polska sp.z.o.o	Poland	(a)	18 Twarda St, Warsaw, 00-105
Happold Consulting Limited	England	(b)	Camden Mill, Bath, BA2 3DQ
Happold Holdings (NA) Inc	USA	(d)	800 Wilshire Blvd, Ste 1600, L.A.
Buro Happold International (Hong Kong) Limited	Hong Kong	(a)	5 <sup>th</sup> Floor, Tai Yau Building 181 Johnston Rd, Wanchai
Happold Safe & Secure Limited	England	(a)	Camden Mill, Bath, BA2 3DQ
Buro Happold ApS	Denmark	(a)	Lavendelstraede 17D, 2. 1462 Kobenhaven K
Buro Happold Engineers India Private Limited	India	(a)	MMRDA Colony, Ambedkar Nagar, Kanjurmarg West, Mumbai
Buro Happold Consulting Engineers Inc *	USA	(a)	800 Wilshire Blvd, Ste 1600, L.A.
Buro Happold Inc *	USA	(d)	100 Broadway, New York
Buro Happold Consulting Engineers (Beijing) Limited *	China	(a)	Office Tower A Jainwai SOHO, No. 39 East 3rd Ring Road, Beijing
Buro Happold and Partner Engineering Consultancy Company *^	Saudi Arabia	(a)	Office 515, Al Akariyah 2, Olaya Street

The nature of the activities of the individual companies is as follows:

- (a) Consulting engineers
- (b) Consultancy services
- (c) Dormant company
- (d) Management services company

Unless otherwise stated, the companies are 100% owned subsidiaries. Ordinary class share investments are held in all subsidiary companies.

\* Denotes indirectly held subsidiaries of the company.

^ Denotes a 75% owned subsidiary.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 April 2019**

**12. DEBTORS DUE WITHIN ONE YEAR**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by group undertakings	12,926	6,598
Other debtors	71	69
Prepayments and accrued income	1,092	996
Deferred tax asset (see note 14)	77	73
	<u>14,166</u>	<u>7,736</u>

The directors believe that sufficient profits will be made in future years to fully recover the deferred tax asset and consider that this asset will be fully recovered within one year.

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings	6,065	3,040
Other taxation and social security costs	1,161	1,116
Corporation tax	203	103
Other creditors	434	441
Accruals	1,831	1,070
	<u>9,694</u>	<u>5,770</u>

**14. DEFERRED TAXATION**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
At beginning of year	73	64
Credit for year	4	9
	<u>77</u>	<u>73</u>

The asset for deferred taxation is made up as follows:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Accelerated capital allowances	3	4
Other timing difference	74	69
	<u>77</u>	<u>73</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 April 2019**

**15. SHARE CAPITAL AND RESERVES**

<b>Shares</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
<b>Allotted, called up and fully paid</b>		
1,000 – Ordinary shares of £1 each	1	1
	<hr/>	<hr/>

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.

**16. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The scheme and its assets are held by independent managers. The amount charged to the profit and loss account in relation to pension contributions was £5.1m (2018: £4.7m). At the year-end £0.4m (2018: £0.4m) was included in other creditors.

**17. OPERATING LEASE COMMITMENTS**

At 30 April 2019 the company had total future minimum lease payments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2019 £'000</b>	<b>2018 £'000</b>
<b>Payments due:</b>		
Within 1 year	2,007	1,164
Between 2 and 5 years	7,699	836
	<hr/>	<hr/>
	9,706	2,000
	<hr/>	<hr/>

**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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 April 2019**

**19. CONTROLLING PARTY**

The directors consider the ultimate parent undertaking to be Happold LLP, a Limited Liability Partnership registered in England and Wales.

Happold LLP is also the immediate parent, and is the smallest and largest Limited Liability Partnership for which consolidated accounts including Buro Happold Engineers Limited are prepared. The consolidated accounts of Happold LLP are available from its registered office, Camden Mill, Lower Bristol Road, Bath, BA2 3DQ.