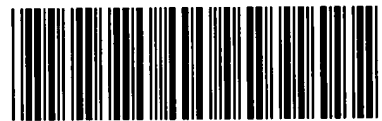

Registered number: 02005893

BURO HAPPOLD ENGINEERS LIMITED

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

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BURO HAPPOLD ENGINEERS LIMITED

REPORT AND FINANCIAL STATEMENTS

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BURO HAPPOLD ENGINEERS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A S Best
K D Desai
J Phillips
C M Schwitter
M G Spelman
R Sykes
S V Wainwright

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 2021**

PRINCIPAL ACTIVITY

Buro Happold Engineers Limited is part of the Happold LLP group known as "Buro Happold", a global practice of engineers, consultants and advisers. The principal activity of the company continues to be that of providing employee services to Buro Happold Limited.

REVIEW OF BUSINESS

During 2020/21 the company increased turnover by 4% to £59.9m (2020: £57.6m) due to an increase in the recharge of employee services to Buro Happold Limited. The company continued to sub-let one of its offices, generating rental income of £0.1m (2020: £0.1m).

The company generated a consistent operating profit margin of 5% compared to prior year. Profit before taxation increased to £3.4m (2020: £2.7m) linked to the increase in turnover and income received from a group undertaking of £0.6m (2020: £nil).

During the year £0.7m was received under the UK government furlough scheme, the grant was repaid in full post year end.

KEY PERFORMANCE INDICATORS

The company assesses performance via the following key performance indicators:

	2021	2020	Change
Turnover (£'000)	59,895	57,603	4.0%
Operating profit (£'000)	2,768	2,649	4.5%
Operating profit margin (%)	5%	5%	-
Average number of employees	949	955	(0.6%)

FUTURE DEVELOPMENTS

Whilst the effect of COVID-19 continues to have an impact, our group's 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. During 2021/22, it is anticipated that there will be an increased demand for employee services by Buro Happold Limited resulting in an increase in turnover generated by Buro Happold Engineers Limited.

DIRECTORS' DUTIES - S172 COMPANIES ACT 2006

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, behave and carry out their duties to promote the long-term success of the company for the benefit of all its members, and in doing so have regard to a range of matters when making decisions. Building positive relationships with stakeholders that share our values is important to us and working together towards shared goals assists us in delivering long-term sustainable success.

The following paragraphs summarise how the directors fulfil their duties:

Decision making

The directors make decisions with a long-term view in mind taking care to have regard to the likely consequences on all stakeholders of the decisions and actions they take. Where possible, decisions are discussed with affected groups and are therefore fully understood and supported when taken.

BURO HAPPOLD ENGINEERS LIMITED

STRATEGIC REPORT (continued) Year ended 30 April 2021

DIRECTORS' DUTIES - S172 COMPANIES ACT 2006 (continued)

During the COVID-19 pandemic the directors made a series of decisions regarding the temporary closure and re-opening of our offices, ensuring the safety and wellbeing of our stakeholders were prioritised at all times. Decision making is continuing as the directors consider our 'workplace of tomorrow' with the objective being to create a working office environment that enhances productivity, our work winning interface and wellbeing of our employees. Our employees were and continue to be consulted, kept informed and engaged throughout.

Stakeholder engagement

The directors promote effective engagement with key stakeholders including employees, shareholders, customers and suppliers, and seek feedback through interactive communication. This enables the directors to consider stakeholder views when running the business and in decision making.

The directors deliver a well-structured programme of employee engagement to ensure they are kept informed of the company's strategy, initiatives and future plans. There are many ways we engage with and listen to employee views through surveys, newsletters, face-to-face and video briefings and an anonymous platform for employees to ask questions and provide feedback. All employees were recently encouraged to participate in a culture survey providing the directors with a vital view of employee opinions on key topics.

Employee wellbeing

The directors have prioritised employee wellbeing by instigating further improvements across the health and safety programme and mental health support since the start of the COVID-19 pandemic. Employees have access to a 24/7 employee assistance programme offering free and confidential support and advice. The mental health and wellbeing site on our intranet also provides a wide range of resources to support our employees.

Community involvement

Buro Happold believes in the need to be actively involved with our local communities wherever we can, as well as making our skills, experience and time available to those in society that are most in need, wherever they are in the world.

One of our main programmes for community involvement is Share Our Skills (SOS), which enables our employees to carry out non-fee paying work during regular work time. Much of this work is focused on international communities in Africa, Asia and South America. Alongside this, Buro Happold has a long history of supporting charities and non-profit organisations by engaging in numerous local community initiatives and volunteer activities. Examples of this include:

- Coordinating sponsorship for the Bath Royal United Hospitals 'Make it Grow' campaign by turning the Bath office windows into a giant advent calendar for the people of the city to enjoy.
- Supporting the Happold Foundation, a charity dedicated to using engineering skills and experience to make a positive impact on people's lives.

BURO HAPPOLD ENGINEERS LIMITED

STRATEGIC REPORT (continued) Year ended 30 April 2021

DIRECTORS' DUTIES - S172 COMPANIES ACT 2006 (continued)

Fair practice and code of conduct

Integrity is of fundamental importance to Buro Happold. We treat our stakeholders with the same integrity, respect and professionalism as we expect from each other and we actively develop mutually beneficial relationships with those that share our values and are aligned to our Equality and Diversity Policy. Buro Happold strives to be inclusive, regardless of gender identity, sexuality, disability, race or ethnicity. Equity and social justice for all, sitting alongside climate equity takes a prominent position in all our duties.

The company adheres to a Code of Conduct that refers to the following policies that aim to ensure we implement fair practices throughout employment and procurement:

- Anti-bribery
- Gifts and hospitality
- Anti-fraud
- Conflicts of interest
- Modern slavery
- Speak up (whistleblowing)

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.

Cyber risk and or personal data breach - The risk of cyber-attacks or hacking has the potential to affect our ability to operate. The company 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. Our data protection methodologies and procedures are regularly reviewed in line with the General Data Protection Regulation.

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



C M Schwitter
Director

BURO HAPPOLD 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £3.6m (2020 £2.4m). During the year an interim dividend of £840,000 (2020: £nil) was declared and paid. The directors do not recommend payment of a final dividend (2020: £nil).

DIRECTORS

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

A S Best (appointed 1 May 2021)	P Rogers (resigned 1 May 2021)
N K Billett (resigned 1 May 2021)	C M Schwitter (appointed 1 May 2021)
J A B Bruce (resigned 1 May 2021)	N R Squibbs (resigned 1 May 2021)
K D Desai (appointed 1 December 2020)	M G Spelman (appointed 1 December 2020)
M L Melville (resigned 1 May 2021)	R Sykes
J Phillips (appointed 1 May 2021)	S V Wainwright (appointed 1 May 2021)

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.

BURO HAPPOLD ENGINEERS LIMITED

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

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 judgements 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.

BURO HAPPOLD ENGINEERS LIMITED

DIRECTORS' REPORT (continued)
Year ended 30 April 2021

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.

A handwritten signature in black ink, appearing to read 'C M Schwitter', with a long horizontal stroke extending to the right.

C M Schwitter
Director

BURO HAPPOLD ENGINEERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF BURO HAPPOLD 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 Engineers Limited ("the Company") for the year ended 30 April 2021 which comprise 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).

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 ENGINEERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURO HAPPOLD 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.

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.

BURO HAPPOLD ENGINEERS LIMITED

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.

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 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.
- 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, testing compliance with the coronavirus job retention scheme criteria and key areas of estimation uncertainty or judgement.

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.

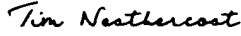
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BURO HAPPOLD ENGINEERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURO HAPPOLD 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 06 August 2021

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 2021

	Note	2021	2020
		£'000	£'000
TURNOVER	3	59,895	57,603
Cost of sales		(57,127)	(54,954)
OPERATING PROFIT	3,5	<u>2,768</u>	<u>2,649</u>
Income from shares in group undertakings		585	-
Other income	4	84	94
PROFIT BEFORE TAXATION		<u>3,437</u>	<u>2,743</u>
Tax on profit	8	166	(369)
PROFIT AFTER TAXATION		<u>3,603</u>	<u>2,374</u>
Retained earnings at 1 May		7,623	5,249
Dividend	9	(840)	-
RETAINED EARNINGS AT 30 APRIL		<u>10,386</u>	<u>7,623</u>

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 14 to 24 form part of these financial statements.

BURO HAPPOLD ENGINEERS LIMITED
Registered number: 02005893

STATEMENT OF FINANCIAL POSITION
At 30 April 2021

	Note	2021		2020	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	10		900		771
CURRENT ASSETS					
Debtors due within one year	12	28,416		21,641	
Cash at bank and in hand		42		54	
		<u>28,458</u>		<u>21,695</u>	
CREDITORS: Amounts falling due within one year	13	<u>(18,971)</u>		<u>(14,842)</u>	
NET CURRENT ASSETS			9,487		6,853
NET ASSETS			<u>10,387</u>		<u>7,624</u>
CAPITAL AND RESERVES					
Called up share capital	15		1		1
Profit and loss account	15		10,386		7,623
TOTAL EQUITY			<u>10,387</u>		<u>7,624</u>

The financial statements on pages 12 to 24 were approved and authorised for issue by the directors and were signed on their behalf on 4 August 2021.



C M Schwitter
Director

The notes on pages 14 to 24 form part of these financial statements.

BURO HAPPOLD ENGINEERS LIMITED

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

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.

Advantage has also been taken from the exemption from preparing the Streamlined Energy and Carbon Reporting under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

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.

The company's principal activity is providing employee services to Buro Happold Limited. As such, in assessing the going concern of the company, the directors have undertaken a detailed modelling exercise on the future performance of Buro Happold Limited to assess the likely demand for employee services during 2021/22.

BURO HAPPOLD ENGINEERS LIMITED

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

1. ACCOUNTING POLICIES (continued)

1.2 Basis of preparation of financial statements (continued)

Going concern (continued)

A further going concern review has been performed at the Buro Happold group level, of which the company is a wholly-owned subsidiary.

As a professional services firm providing a wide variety of high-end consultancy services to a broad range of markets, the Buro Happold group 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.

Whilst COVID-19 is having an impact on the Buro Happold global business, the group has reacted swiftly and continues to execute a well-developed plan to manage our resource, reduce costs and maintain a robust liquidity position. Future operating plans are reviewed regularly to aid timely decision-making and allow appropriate action to be taken.

As part of the Buro Happold group going concern assessment a detailed modelling exercise has been performed using a base case which has been stress-tested and sensitised in the context of the COVID-19 pandemic.

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 directors have the ability to constrain to conserve short term cash if required. Under both models, a healthy net cash position is maintained.

The Buro Happold 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 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.

BURO HAPPOLD ENGINEERS LIMITED

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

1. ACCOUNTING POLICIES (continued)

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.

Grant income

Grant income is recognised when the right to receive payment is established.

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.

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.

BURO HAPPOLD ENGINEERS LIMITED

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

1. ACCOUNTING POLICIES (continued)

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.

Recoverability of amounts owed by group undertakings

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. 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.

BURO HAPPOLD ENGINEERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 30 April 2021

4. OTHER INCOME	2021 £'000	2020 £'000
Rental income	<u>84</u>	<u>94</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2021 £'000	2020 £'000
Operating lease rentals:		
- land and buildings	<u>1,874</u>	<u>1,890</u>

During the year the Company received £0.7m under the UK Government Coronavirus Job Retention Scheme (CJRS). As at 30 April 2021 the Directors had agreed to repay amounts received in the year under CJRS and the amount payable is held as an accrual at the year end in another group entity. The group repaid monies received under CJRS in June 2021.

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

	2021 £'000	2020 £'000
Audit services – statutory audit of the company	<u>12</u>	<u>12</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. DIRECTORS' REMUNERATION	2021 £'000	2020 £'000
Emoluments	<u>790</u>	<u>737</u>
Highest paid director	2021 £'000	2020 £'000
Aggregate emoluments	<u>469</u>	<u>478</u>

Pension contributions of £26,000 (2020: £25,000) were paid on behalf of the directors. Any directors who are also partners in the parent LLP are remunerated through the LLP.

BURO HAPPOLD ENGINEERS LIMITED

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

7. STAFF COSTS

Staff costs were as follows:

	2021 £'000	2020 £'000
Wages and salaries	42,744	41,258
Social security costs	4,615	4,423
Other pension costs	5,744	5,456
	<u>53,103</u>	<u>51,137</u>

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

	2021 No.	2020 No.
Technical staff	679	691
Support staff	270	264
	<u>949</u>	<u>955</u>

8. TAX ON PROFIT

	2021 £'000	2020 £'000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	37	368
Adjustment in respect of prior years	(202)	17
Total current tax	<u>(165)</u>	<u>385</u>
Deferred tax (see note 14)		
Origination and reversal of timing differences	(1)	(7)
Effect of tax rate change on opening balance	-	(9)
Total deferred tax	<u>(1)</u>	<u>(16)</u>
Tax on profit	<u>(166)</u>	<u>369</u>

BURO HAPPOLD ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2021

8. TAX ON PROFIT (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020 – 19%). The differences are explained below:

	2021 £'000	2020 £'000
Profit before tax	3,437	2,743
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020 – 19%)	653	521
Effects of:		
Income not taxable	(111)	-
Group relief claimed	(506)	(160)
Adjust closing deferred tax to average rate	-	(9)
Adjustments in respect of prior years	(202)	17
Total tax charge for the year (see note above)	(166)	369

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.

9. DIVIDEND

	2021 £'000	2020 £'000
Interim dividend for the year of £1,000 per share	840	-

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
Cost	
At 30 April 2020	771
Additions	129
At 30 April 2021	900

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

BURO HAPPOLD ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2021

11. PRINCIPAL SUBSIDIARIES

Company name	Country	Activity	Registered Address
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 th Floor, Tai Yau Building
Buro Happold ApS	Denmark	(a)	181 Johnston Rd, Wanchai 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	(c)	100 Broadway, New York
Brightspot strategy LLC *	USA	(a)	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
Buro Happold B.V.	Netherlands	(a)	Rotterdam, Netherlands
PT Buro Happold Indonesia	Indonesia	(a)	WeWork Revenue Tower, Units 26-105, Senayan, Jakarta

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

- (a) Consulting engineers
- (b) Consultancy services
- (c) 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.

BURO HAPPOLD ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2021

12. DEBTORS DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Amounts owed by group undertakings	27,168	20,748
Other debtors	-	63
Corporation tax	145	-
Prepayments and accrued income	1,009	737
Deferred tax asset (see note 14)	94	93
	<u>28,416</u>	<u>21,641</u>

The directors have considered the recoverability of the amounts owed by group undertakings and 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

	2021 £'000	2020 £'000
Amounts owed to group undertakings	14,519	10,656
Other taxation and social security costs	1,254	1,268
Corporation tax	-	95
Other creditors	480	473
Accruals	2,718	2,350
	<u>18,971</u>	<u>14,842</u>

14. DEFERRED TAXATION

	2021 £'000	2020 £'000
At beginning of year	93	77
Credit for year	1	16
	<u>94</u>	<u>93</u>
At end of year	94	93

The asset for deferred taxation is made up as follows:

	2021 £'000	2020 £'000
Accelerated capital allowances	3	3
Other timing difference	91	90
	<u>94</u>	<u>93</u>

BURO HAPPOLD ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2021

15. SHARE CAPITAL AND RESERVES

Shares	2021 £'000	2020 £'000
Allotted, called up and fully paid		
1,000 – Ordinary shares of £1 each	1	1

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 £5.7m (2020: £5.5m). At the year-end £0.5m (2020: £0.5m) was included in other creditors.

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 £'000	2020 £'000
Payments due:		
Within 1 year	1,845	1,845
Between 2 and 5 years	3,397	5,241
	<u>5,242</u>	<u>7,086</u>

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.

19. POST BALANCE SHEET EVENTS

On 21 May 2021 the company acquired 100% of the ordinary share capital of one of the world's leading acoustics and audio-visual consultancies, Vanguardia Limited, and its subsidiary Crowd Dynamics International Limited. The total consideration was £5.0m, of which £2.75m relates to contingent consideration. Directly attributable costs associated with the acquisition of £0.1m are recorded within prepayments.

BURO HAPPOLD ENGINEERS LIMITED

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

20. 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.