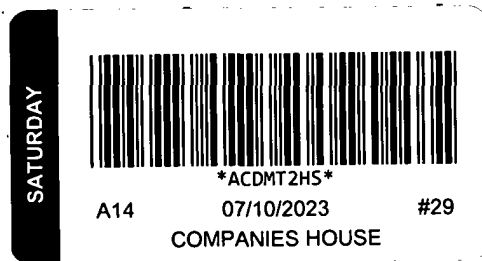


**BURO HAPPOLD**

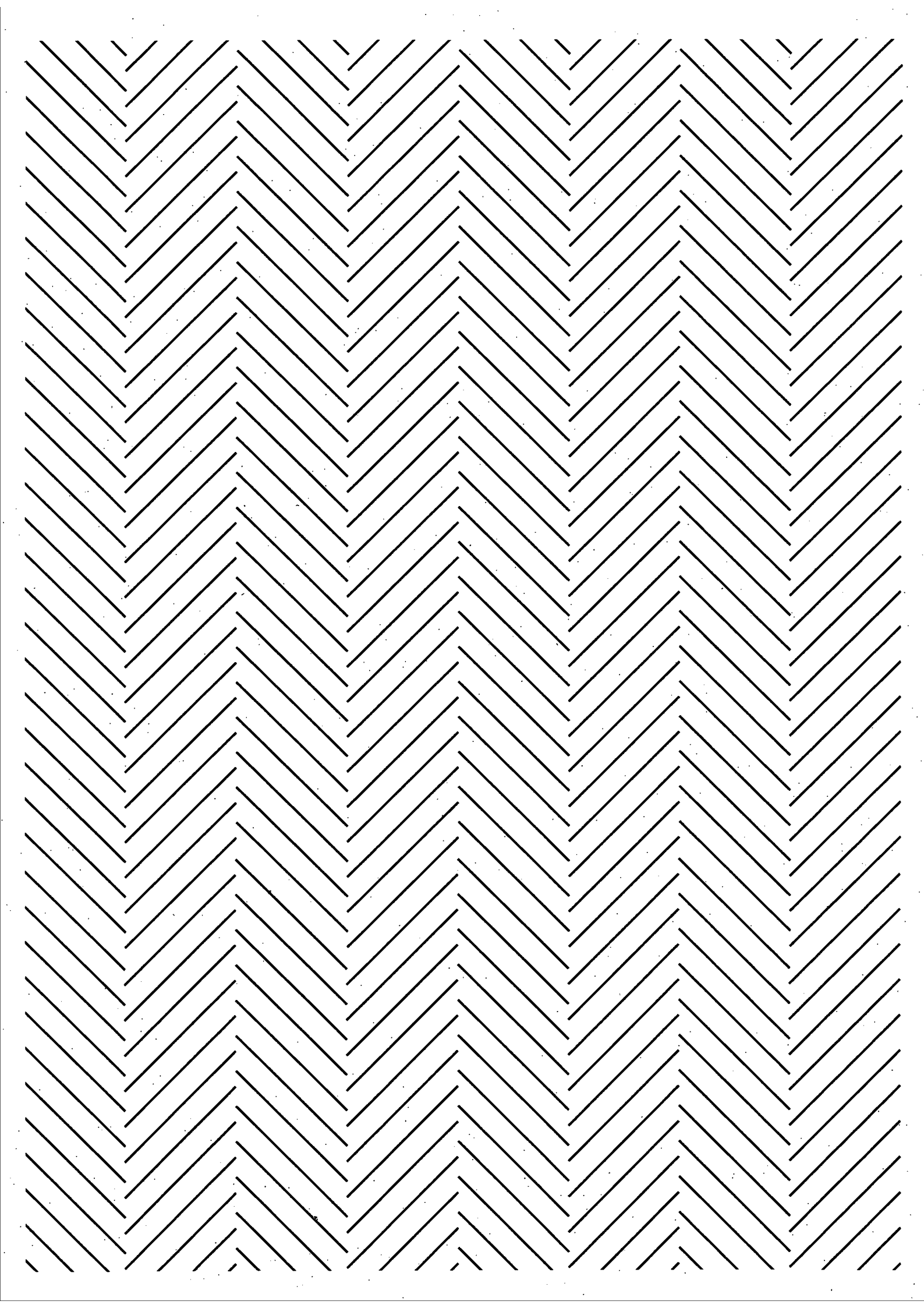
# **BURO HAPPOLD LIMITED**



**Strategic Report, Directors' Report  
and financial statements  
for the Year ended 30 April 2023**

**Registered number: 02049511**

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## Contents

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Officers and professional advisers	4
Strategic report	4
Directors' report	10
Independent auditor's report	12
Statement of income and retained earnings	15
Statement of financial position	16
Notes to the financial statements	17

## Officers and professional advisers

<b>Directors</b>	A J Harbinson A S Keelin I D Maddocks J Phillips S J O Prichard A J F Wylie
<b>Company secretary</b>	D Conway
<b>Company number</b>	02049511
<b>Registered office</b>	Camden Mill Lower Bristol Road Bath BA2 3DQ
<b>Auditor</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Bankers</b>	HSBC Bank plc 1-3 Bishopsgate London EC2N 3AQ

## Strategic report

*Year ended 30 April 2023*

### Business description

Buro Happold Limited is part of the Happold LLP group, known as "Buro Happold", an international, integrated consultancy of engineers, designers and advisers. Operating in 37 locations worldwide, with over 80 partners and 2,500 employees; for over 45 years we have built an unrivalled reputation by delivering creative, value-led solutions for the benefit of people, places and planet.

Described by our clients as 'passionate', 'innovative' and 'collaborative', Buro Happold is synonymous with the delivery of exceptionally complex projects on every continent, working with the world's leading architectural practices and organisations, such as the United Nations, UNESCO and C40 Cities.

Through our global community of driven, world-leading engineering, advisory and design professionals, we are acting to address major challenges in an ever-evolving world.

The principal activity of the company is that of engineers, designers and advisers providing professional, integrated services to clients. These clients include the property and construction sectors, city administrations and campus portfolio owners as well as individual building owners.

### Strategy

We have a bold and exciting strategy to deliver scale and drive growth over the coming years, through to 2027. The strategy will enable us to compete for larger, more complex projects, attract and retain leading talent, provide truly global coverage for our clients, as well as capture high-growth emerging markets and tackle high profile issues such as sustainability and climate change.

We aim to achieve this through a focus on clients, talent and ESG.

#### Clients

We are routinely praised by our clients for the solutions and outcomes we provide, whilst also being recognised for the strength of our relationships with some of our key industry collaborators. We are refreshing our sector approach to ensure we are always looking ahead and delivering insightful thought-leadership on the big issues facing our clients and the wider world. We plan to increase our global connectivity for clients and further embed key relationship management networks whilst continuing to serve our clients through an outcome-based approach, providing innovative solutions to add value to our clients' core business drivers.

#### Talent

We aspire to being the employer of choice in our industry. We focus on achieving equity above all else – addressing climate, social and racial injustice. Our people strategy is to create opportunities for all our people to reach, and where

## Strategic report (continued)

Year ended 30 April 2023

possible exceed their potential in their careers. We have an environment where we retain and attract top talent offering our people inclusivity, diversity and allyship for all, continuous quality learning, flexible/hybrid working and flat management structures with equitable career, promotion, reward and development opportunities. We are commended for our people and culture, with leading industry players recognising Buro Happold for our heritage, values and people development.

### ESG

We set and embed industry-leading sustainability goals into all our activities, allowing us to enhance our brand and attract the best clients, projects, employees and collaborators and deliver solutions that meet ESG goals. Our climate commitments, included in the Happold LLP financial statements, are a key part of this strategy.

Alongside this, we recognise continued investment in the right technology is essential to enable and drive change. Our desire for innovation with operational excellence is driven by our market leading experts who are empowered to be curious to find new ways of solving problems, exploit new, exciting and untapped potential, use a variety of data analytics and information modelling capabilities and be at the forefront of digital twinning.

We will continue to enhance and expand our advisory services, thereby building greater resilience and balance for our business while growing our capabilities outside the UK.

### Operations

Buro Happold operates within six business units; United Kingdom, Hong Kong and China, Cities, Europe, India, Middle East and United States.

The structure allows us to foster collaboration between offices to enable sharing of work, knowledge and experience. It also encourages a strong cross-business approach to city leadership, design and technical development.

Key projects undertaken by the company during the year include the following:

#### AIUla, Saudi Arabia

Under the leadership of the Royal Commission for AIUla (RCU), Buro Happold together with Allies and Morrison, Prior and Partners and AS Urban helped to develop the AIUla Framework Plan to guide the sustainable development of AIUla, a region in the northwest of Saudi Arabia. AIUla contains remarkable heritage dating back more than 200,000 years including the Nabataean tombs of Hegra, Saudi Arabia's first UNESCO World Heritage Site.

The work aims to protect and safeguard this precious heritage while further advancing the contribution of the tourism sector as

an effective means towards fairer growth and advancing the UN Sustainable Development Goals (SDGs).

#### King Salman Park, Saudi Arabia

King Salman Park will deliver a variety of environmental, cultural, sporting, artistic, and entertainment facilities to improve the quality of life in the city, supporting the realisation of Vision 2030 to create a vibrant and healthy society and boost the global ranking of Riyadh among the "world's top liveable cities".

The Park, being constructed on a former airfield, covers more than 16km<sup>2</sup> and is linked to several main roads, as well as the Public Transport Project that includes Riyadh's train and bus network, making it easily accessible for residents and visitors in Riyadh. A broad multidisciplinary team from across Buro Happold has been working on this stand-out, transformational project. A million trees will be planted, making it one of the world's largest urban parks, providing a wealth of greenery and open space for the people of Riyadh.

#### Temple Quarter Enterprise Campus ("TQEC"), Bristol UK

The University of Bristol's new TQEC sits at the heart of the city's vibrant new Temple Quarter and adjacent to the main railway terminus, Bristol Temple Meads. With improvements to the train station planned, as well as new housing, infrastructure, retail and leisure areas, the Temple Quarter initiative aims to create 22,000 jobs over the lifetime of the project. Buro Happold is at the heart of the collaborative team delivering the vision for the TQEC.

Given the university's energy target of net carbon neutral by 2030 across its campuses, our engineers considered both the technical and commercial aspects of the project when devising solutions to realise the most sustainable campus in the university estate, in line with achieving a BREEAM Excellent target.

### Key performance indicators

The company assesses performance via the following key performance indicators:

	2023	2022	Change
Turnover (£'000)	139,085	102,745	35%
Adjusted operating profit (£'000)*	5,174	1,260	311%
Adjusted operating profit margin (%)*	4%	1%	3%
Adjusted EBITDA (£'000)*	7,644	3,644	110%
Cash (£'000)	9,557	6,280	52%
Days sales outstanding (DSO)	99	89	11%

\*Adjusted operating profit, operating profit margin and EBITDA are all shown before other operating (expense)/income as the directors believe this assists with understanding the underlying performance of the company. DSO represents the average number of days it takes to receive payment for a sale.

## Strategic report (continued)

Year ended 30 April 2023

### Financial performance

The company generated turnover of £139.1m (2022: £102.7m) and an operating profit before other operating (expense)/income of £5.2m (2022: £1.3m). The company generated the most significant proportion of revenue (49%) from projects located in the Middle East. This is a result of Buro Happold being the appointed engineers for many of the 'Giga Projects' in Saudi Arabia that are central to Vision 2030.

The company will always be subject to exchange rate fluctuations due to the global spread of our business resulting in an exchange gain of £0.4m (2022: £3.3m). The fair value gain on foreign exchange forward contracts was £1.3m (2022: loss of £1.2m).

During the year the company provided £12.9m in other operating expense against amounts due from group undertakings associated with the group's operations in the Asia-Pacific region. This resulted in the company generating a loss before tax of £8.1m (2022: profit of £3.1m).

At year end the company had a £20m multicurrency Revolving Credit Facility ('RCF') with HSBC UK, £13.1m (2022: £7.5m) of which was utilised at year end with the company reporting a closing cash balance of £9.6m (2022: £6.3m).

Working capital management continues to remain a key focus of the company, DSO increased on the prior year to 99 days (2022: 89 days). This increase being linked to the increase in work being carried out in the Middle East.

### Future developments

Turbulent economic times have become a new normal. Our solid portfolio of long-term projects around the globe, means we are well positioned to manage the longer-term effects arising from economic fluctuations, including inflationary pressures and the post-pandemic recovery period.

Balance continues to be key – between geographic footprint and client base, between buildings, cities and advisory; and between the sectors in which we operate. Through our people, we will continue to deliver exceptional results on world-class projects.

### 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, principal risks and uncertainties, changes in global economic conditions, socio-political events such as the conflict in Ukraine and global inflationary pressures. 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 such matters.

The company continues to manage our resource appropriately 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.

At year end the company had a £20m multicurrency Revolving Credit Facility ('RCF') with HSBC UK, £13.1m (2022: £7.5m) of which was utilised at year end. The company's financial arrangements are subject to certain financial covenants which are tested every quarter. Post year end the company increased the RCF to £30m, with an additional £10m accordion option after 12 months (see note 20).

As part of the going concern assessment a detailed modelling exercise has been performed, as detailed in accounting policy 1.2, which indicates the company would not breach the financial covenants for a period of no less than 12 months from approval of the financial statements.

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.

### 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 company comprises two business units, UK Buildings and Cities, along with being the hub for the group's shared business services. Each has extensive engagement with their own stakeholders, as well as other companies within the group.

The leadership teams 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.

#### Stakeholder engagement

The directors promote effective engagement with key stakeholders including employees, shareholders, customers, and

## Strategic report (continued)

Year ended 30 April 2023

suppliers, and seek feedback through interactive communication. This enables the directors to consider stakeholder views when running the business and in decision making.

Whilst the company has no employees, it utilises employee services provided by Buro Happold Engineers Limited. As such 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 or video briefings and an anonymous platform for employees to ask questions and provide feedback.

### 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:

- **Bridges to Prosperity** – The Nyagakonyi River divides community life in the village of Rubete in rural Rwanda. Thousands rely on crossing the river to reach an array of critical resources and economic opportunities. But when the rain arrives the river becomes dangerous, and often deadly, to attempt crossing the makeshift wooden bridge that spans the gorge and river. In 2022 Buro Happold and WilkinsonEyre teamed up to work alongside the charity Bridges to Prosperity to help construct a new bridge that transformed community life. For 2023, a group from our Middle East team joined forces with collaborators from Gensler, to build another bridge vital to another Rwandan community, this time in the village of Kanyarusanga. These follow previous Bridges to Prosperity projects our teams worked on at Gatere and Gasiza in Rwanda in recent years.
- **Holbeck Viaduct Community Green Space** – Holbeck Viaduct, in Leeds, has been disused since the 1980s. Now a community group is seeking to transform the 1.1 miles of former railway, set atop 92 Victorian archways, into a community garden and recreational space, taking inspiration from New York's High Line. A group of infrastructure, structures and sustainability experts from our Leeds office has been supporting the community group to develop a feasibility assessment and help to move the vision on to planning.

- **Build It International** – In Zambia, some of our engineers have worked via SOS on the Build It International charity's project to develop a Centre for Excellence, near Lusaka. Build It has trained more than 1,500 unemployed Zambian men and women in a diverse range of construction skills. These new skills mean new opportunities for young people to find work, earn a living and provide for their families.
- **Supporting the Happold Foundation**, a charity dedicated to using engineering skills and experience to make a positive impact on people's lives.

### 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)

## Strategic report (continued)

Year ended 30 April 2023

### Principal risks and uncertainties and matters of strategic importance

The group continues to regularly identify, evaluate and mitigate risks and uncertainties at both a Global and Regional level. Its focus remains on those risk areas which pose the greatest threat to the achievement of our strategy. Our mitigations seek to minimise the likelihood of those risks materialising and lessen the impact should they occur.

Each key risk area has a Risk Owner who is responsible for improving the control and management of the key risk by the development and implementation of new, and improvement of existing, systems, policies and procedures.

The key risks and associated mitigations are included below:

RISK AREA	MITIGATIONS
<b>Market</b> We have continued to keep market risk under review. If economic downturns in any of our regions are deeper and/or longer than currently predicted there would be an impact in terms of business continuity and revenue. This would be compounded if the global net revenue coming from an affected market, client or sector is disproportionately large.	We continue to monitor and manage regional and global targets for markets of concern and maintain adverse spread of portfolio and geographies.
<b>People</b> Our ability to attract, retain and continuously develop key staff with the requisite capabilities remains critical to the group achieving its objectives otherwise we risk being unable to either win or deliver client projects which fit with our strategy.	We have a number of programmes and initiatives to create the Talent approach referred to on pages 4 and 5 and engage our employees through various initiatives, see pages 6 and 7. Our appetite for challenging projects also helps ensure that we remain attractive as an employer.
<b>Management of Projects</b> Effective management of our projects to ensure that we perform in terms of quality, to schedule, and within the proposed fee is a key focus. Inadequate project management could lead to financial loss, loss of future work winning opportunities, contractual disputes, litigation and/or damage to reputation.	We have invested in a universal system for planning, managing and delivering projects. All projects have a risk register and various project monitoring tools are utilised depending on the size, complexity and risk profile of the project. Client feedback is obtained at each stage of the project and lessons learnt are shared. Internal Audit checks compliance with our Quality Management System.
<b>Competition</b> We exist in a competitive market with a high risk of commoditisation. Our strategy could be at risk if we fail to convert opportunities into profitable wins.	A bid/no bid assessment is carried out for all opportunities, where client, location, service type, contract terms, alignment to strategic goals, target profit and any related risks, are considered. Approval to submit a bid must be obtained in accordance with the Global Authority Matrix. Such approval may be given subject to conditions which mitigate identified risks.



## Strategic report (continued)

Year ended 30 April 2023

RISK AREA	MITIGATIONS
<b>Cyber/Information security</b> The risk of cyber-attacks or hacking has the potential to affect our ability to operate. Losing critical business information or access to systems can expose us to financial penalties, claims from clients for delay or other breaches of contract, claims from stakeholders for data breaches and reputational damage.	We have an ISMS with wide-ranging controls including policies, quarterly audits and role-based access control. IT systems are externally audited for vulnerabilities by penetration testing with further assurances provided by Cyber Essentials certification (and IASME certification for the UK business). Business Continuity and Disaster Recovery plans are in place and tested. We also roll out annual training / testing of employees and regular phishing tests.
<b>Legal &amp; Regulatory compliance</b> As a global business we operate against a complex legal and regulatory landscape. There is an on-going risk of litigation, fines or penalties arising from failure or negligence in complying with laws and regulations in the jurisdictions in which we have offices and/or where we carry out services.	We have established policies which are available to all partners and employees via the intranet. Subject matter experts sit within the Business Services teams and support Global and Regional Management, providing guidance and creating awareness of applicable laws and regulations. Consultants, agents, suppliers and sub-consultants are made aware of the relevant policies and the expectation that they work in accordance with these is made clear prior to work commencing with them.
<b>Climate Change</b> The physical impacts of increasingly frequent extreme weather events exacerbated by climate change can negatively impact company premises, operations, supply chains, and employee health and safety. In addition, changes to policy and regulation, technologies and markets from planned or potential responses to limiting global long-term temperature rise may result in varying levels of financial and reputational risk or revenue opportunities from new and evolving climate-related design and advisory services.	Our Business Continuity Strategy, updated at least annually, includes an assessment of extreme weather related risks to company premises, operations and employees. Business Continuity Plans are in place at regional level to support reporting of incidents and mitigate risks and manage recovery. Climate change-related mitigation and adaptation considerations are included in decisions on new office premises. We are well-positioned in our market to respond to and take advantage of climate change related policy, regulations and standards to enhance and develop climate change mitigation and adaptation services for our clients to support their own climate change mitigation and adaptation responses.

This report was approved by the board on 10 August 2023 and signed on its behalf.

*Alan Harbinson*

Alan Harbinson (Aug 10, 2023 13:04 GMT+1)

A J Harbinson  
Director

## Directors' report

*Year ended 30 April 2023*

The directors present their report and the financial statements for the year ended 30 April 2023.

### Results for the year

The loss for the year, after taxation, amounted to £10.1m (2022: profit of £2.2m). An interim dividend of £nil (2022: £nil) was declared and paid during the year. The directors do not recommend payment of a final dividend (2022: £nil).

### Directors

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

J A B Bruce (resigned 5 October 2022)  
A J Harbinson  
A S Keelin  
I D Maddocks  
J Phillips  
S J O Prichard  
A J F Wylie (appointed 29 June 2023)

### Financial risk management objective and policies

The company is exposed to several financial risks.

**Credit risk** – The risk of clients being unable to pay for work performed by the company has the potential to impact cash flow. The risk is mitigated via appropriate credit checks being made on potential clients before work commences on projects, securing advance payments and the use of project insurance. Credit insurance is also obtained for certain projects.

**Foreign exchange risk** – The company reports its results in sterling; however a proportion of the company's revenue is generated overseas and denominated in other currencies. Significant movements in foreign exchange rates will affect the sterling profits 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 with the risk partially mitigated using foreign currency forward contracts.

**Management of working capital** – The majority of the company's costs are paid before fees are settled by clients. There is an ongoing drive across the company to raise invoices quickly to speed up payment. In addition, the company maintains close working relationships with clients and seeks advance receipts on contracts where possible. The robust bank financing framework provides significant comfort.

**Interest rate risk** – The group has borrowings on which interest is charged at the bank's variable rate and is therefore affected by fluctuations in interest rates. This risk is mitigated through regular review of interest rates and active management of cash surpluses.

### Political and charitable donations

During the year the company contributed £0.3m (2022: £0.2m) to the Happold Foundation, a UK charity. The Happold Foundation is a charity registered for the promotion of education, research and training in fields applicable to the construction industry, engineering, design, technology and architecture.

### 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 £1.5m (2022: £2.5m) of expenditure was deemed to be of a research and development nature.

### 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;

## Directors' report (continued)

Year ended 30 April 2023

- 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.

This report was approved by the board on 10 August 2023 and signed on its behalf

Alan Harbinson  
Alan Harbinson (Aug 10, 2023 13:04 GMT+1)

A J Harbinson  
Director

### 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.

## Independent auditor's report to Members of Buro Happold 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 2023 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Buro Happold Limited ("the Company") for the year ended 30 April 2023 which comprise statement of income and retained earnings, the statement of financial position, and 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.

### 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

## Independent auditor's report to Members of Buro Happold Limited (continued)

- 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 Responsibilities of directors, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*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 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, and key areas of estimation uncertainty or judgement, for example; professional indemnity, bad debt 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.

## Independent auditor's report to Members of Buro Happold Limited (continued)

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### 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 **10 August 2023**

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

## Statement of income and retained earnings

Year ended 30 April 2023

	Note	2023 £'000	2022 £'000
<b>Turnover</b>	1, 3	139,085	102,745
Operating expenses		(133,911)	(101,485)
<b>Operating profit before other operating (expense)/income</b>		5,174	1,260
Other operating (expense)/income	4	(13,897)	3,384
<b>Operating (loss)/profit</b>		(8,723)	4,644
Fair value gains/(losses) on foreign exchange contracts		1,319	(1,212)
Interest receivable from group undertakings		583	169
Interest payable and similar expenses	5	(700)	(271)
Interest payable to group undertakings		(610)	(206)
<b>(Loss)/profit before taxation</b>	7	(8,131)	3,124
Tax on (loss)/profit	8	(1,968)	(959)
<b>(Loss)/profit after taxation</b>		(10,099)	2,165
Retained earnings at 1 May		16,377	14,212
<b>Retained earnings at 30 April</b>		6,278	16,377

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 17 to 33 form part of these financial statements.

## Statement of financial position

At 30 April 2023

	Note	2023		2022	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	9		943		1,490
Tangible assets	10		4,293		2,846
			<u>5,236</u>		<u>4,336</u>
<b>Current assets</b>					
Debtors due within one year	11	83,861		72,679	
Cash at bank and in hand		9,557		6,280	
		<u>93,418</u>		<u>78,959</u>	
<b>Creditors:</b>					
Amounts falling due within one year	12	(84,537)		(61,537)	
<b>Net current assets</b>			<u>8,881</u>		<u>17,422</u>
<b>Total assets less current liabilities</b>			<u>14,117</u>		<u>21,758</u>
<b>Provisions for liabilities</b>					
Deferred tax	13		(108)		-
Other provisions	14		(7,730)		(5,380)
<b>Net assets</b>			<u>6,279</u>		<u>16,378</u>
<b>Capital and reserves</b>					
Called up share capital	16		1		1
Retained earnings	16		6,278		16,377
<b>Total equity</b>			<u>6,279</u>		<u>16,378</u>

The financial statements on pages 15 to 33 were approved and authorised for issue by the board and were signed on its behalf on 10 August 2023.

Alan Harbinson

Alan Harbinson (Aug 10, 2023 13:04 GMT+1)

A J Harbinson  
Director

The notes on pages 17 to 33 form part of these financial statements.



# **Notes to the financial statements**

**Year ended 30 April 2023**

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## 1 Accounting policies

### 1.1 General information

Buro Happold 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 4. The company's principal activities and nature of operations are set out in the Strategic Report on pages 4 to 9.

### 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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include financial instruments at fair value.

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

#### *Reduced disclosures*

As permitted by the reduced disclosure regime within 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.

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 as it is included in the consolidated financial statements of its ultimate parent, Happold LLP.

#### *Consolidated financial statements*

The financial statements of the company are consolidated in the 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.

#### *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, principal risks and uncertainties, changes in global economic conditions, socio-political events such as the conflict in Ukraine and global inflationary pressures. 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 such matters.

The company continues 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.

As part of the going concern assessment a detailed modelling exercise has been performed using a base case which has been stress-tested and sensitised. Under the sensitised model the company anticipated an adverse impact on revenue with a corresponding reduction in direct costs. Both models include an element of discretionary spend which the company could constrain to conserve short term cash if required. Under both models, the company 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.

Post year end the group increased the RCF to £30m, with an additional £10m accordion option after 12 months (see note 20).

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.

## Accounting policies (continued)

### 1.4 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.

### 1.5 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.

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.

### 1.6 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 operating (expense)/income.

### 1.7 Research and development

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

### 1.8 Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are translated into sterling at the rate ruling on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Exchange gains and losses are recognised in the statement of income and retained earnings as other operating income/(expense).

### 1.9 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.

### 1.10 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 expected 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.

## Accounting policies (continued)

### Financial liabilities

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

#### *Trade, group and other creditors (including accruals)*

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.

#### *Derivatives*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value, at each reporting date. Fair value gains and losses are recognised in profit or loss.

#### *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.

### 1.11 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.

### 1.12 Intangible assets

Computer software is initially recognised at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Software is amortised to profit or loss over its estimated useful life, of between two and five years, on a straight line basis.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

### 1.13 Tangible assets and depreciation

Tangible 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

## Accounting policies (continued)

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are reversed if, and only if, the reasons for the impairment loss have ceased to apply.

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.

### 1.14 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.

### 1.15 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

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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.

### *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.

### *Provisions*

Provisions are made for specific project related matters and dilapidations relating to offices the company is planning on exiting. The amounts provided are reviewed regularly considering the most recent information available and, where appropriate, with the use of professional advice.

### *Useful economic lives of intangible and tangible assets*

The annual amortisation and depreciation charges for intangible and tangible assets are 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 Geographical analysis

An analysis of turnover, by destination is as follows:

Turnover	2023	2022
	£'000	£'000
UK	63,487	54,861
Europe	5,872	5,250
Middle East	68,088	40,632
United States	337	648
Rest of the World	1,301	1,354
	<u>139,085</u>	<u>102,745</u>

### 4 Other operating (expense)/income

	2023	2022
	£'000	£'000
Foreign exchange (loss)/gain	(2,049)	3,254
Research and development tax credit	490	130
Impairment of amounts owed by group undertakings	(12,944)	-
Rental income	606	-
	<u>(13,897)</u>	<u>3,384</u>

## 5 Interest payable

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	2023	2022
	£'000	£'000
Other interest payable	700	271

## 6 Employees

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The company has no employees. Employee services are provided to the company by Buro Happold Engineers Limited. The directors are remunerated by Happold LLP.



## 7 (Loss)/profit before taxation

The (loss)/profit before taxation is stated after charging/(crediting):

	2023	2022
	£'000	£'000
Fair value (gain)/loss on foreign exchange contracts	(1,319)	1,212
Depreciation of tangible fixed assets	1,532	1,432
Research and development expenditure written off	1,500	2,500
Amortisation of intangible fixed assets	938	952
Foreign exchange loss/(gain)	2,049	(3,254)
Operating lease rentals:		
– land and buildings	1,385	1,095
– other	671	854
Impairment loss on trade receivables	1,871	872

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

	2023	2022
	£'000	£'000
Audit services – statutory audit of the company	50	36

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.

## 8 Tax on (loss)/profit

### Analysis of tax charge in the year

	2023	2022
	£'000	£'000
<b>Current tax (see note below)</b>		
UK corporation tax charge on (loss)/profit for the year	751	-
Adjustments in respect of prior periods	-	(456)
Foreign taxation	1,733	944
Double tax relief	(751)	-
<b>Total current tax</b>	<b>1,733</b>	<b>488</b>
<b>Deferred tax (see note 13)</b>		
Origination and reversal of timing differences	266	517
Effect of tax rate change on opening balance	75	(52)
Adjustments in respect of prior years	(106)	6
<b>Total deferred tax</b>	<b>235</b>	<b>471</b>
<b>Tax on (loss)/profit</b>	<b>1,968</b>	<b>959</b>

### Factors affecting tax charge for the year

The tax assessed for the year is higher (2022 – higher) than the standard rate of corporation tax in the UK of 19% (2022 – 19%). The differences are explained below:

	2023	2022
	£'000	£'000
(Loss)/profit before tax	(8,131)	3,124
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2022 – 19%)	(1,585)	594

### Effects of:

Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	2,709	155
Ineligible fixed asset expenditure	43	13
Fixed asset differences	(95)	(66)
Research and development tax credit	(55)	-
Adjustments in respect of prior periods	(106)	(450)
Adjust closing deferred tax to average rate	75	(52)
Foreign tax credits	(751)	(179)
Foreign tax at different rates	1,733	944
<b>Tax on (loss)/profit (see note above)</b>	<b>1,968</b>	<b>959</b>

### Factors that may affect future tax charges

The corporation tax rate increased to 25% from 1 April 2023.

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

## 9 Intangible assets

### Computer software

£'000

#### Cost

At 1 May 2022

3,852

Additions

391

Disposals

(65)

At 30 April 2023

4,178

#### Amortisation

At 1 May 2022

2,362

Charge for year

938

Disposals

(65)

At 30 April 2023

3,235

#### Carrying amount

At 30 April 2023

943

At 30 April 2022

1,490

The amortisation charge for the year is recognised within operating expenses.

## 10 Tangible assets

	Leasehold improvements	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 May 2022	3,166	4,232	7,398
Additions	1,102	1,877	2,979
Disposals	-	(823)	(823)
At 30 April 2023	4,268	5,286	9,554
<b>Depreciation</b>			
At 1 May 2022	2,254	2,298	4,552
Charge for year	490	1,042	1,532
Disposals	-	(823)	(823)
At 30 April 2023	2,744	2,517	5,261
<b>Carrying amount</b>			
At 30 April 2023	1,524	2,769	4,293
At 30 April 2022	912	1,934	2,846

## 11 Debtors due within one year

	2023	2022
	£'000	£'000
Trade debtors	37,699	24,991
Other debtors	192	84
Amounts owed by group undertakings	24,892	30,775
Prepayments and accrued income	4,147	7,115
Foreign currency forward contracts	240	-
Amounts recoverable on long term contracts	16,691	9,587
Deferred tax asset (see note 13)	-	127
	<b>83,861</b>	<b>72,679</b>

## 12 Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Bank loans and overdrafts	13,068	7,500
Payments on account	33,405	17,259
Trade creditors	6,287	5,101
Amounts owed to group undertakings	24,205	19,933
Social security and other taxes	1,807	951
Corporation tax	216	395
Other creditors	40	38
Foreign currency forward contracts	-	1,079
Accruals and deferred income	5,509	9,281
	<b>84,537</b>	<b>61,537</b>

Bank guarantees and performance bonds of £11.0m (2022: £7.6m) for certain projects undertaken by the company were held at the year end.

Security for the bank facility held by the company consists of a debenture including fixed and floating charges over the company assets and guarantees given by Buro Happold Engineers Limited and Buro Happold Consulting Engineers Limited.

## 13 Deferred tax (liability)/asset

	2023	2022
	£'000	£'000
At beginning of year	127	598
Charge for year	(235)	(471)
	<u>(108)</u>	<u>127</u>

Deferred taxation is made up as follows:

	2023	2022
	£'000	£'000
Accelerated capital allowances	(110)	10
Tax losses brought forward	-	115
Liabilities measured at fair value	<u>2</u>	<u>2</u>

## 14 Provisions

	Professional indemnity insurance	Loss making contracts	Dilapidation	Total
	£'000	£'000	£'000	£'000
At 1 May 2022	3,350	659	1,371	5,380
Additions	2,029	343	1,015	3,387
Utilised/released in the year	(604)	(433)	-	(1,037)
At 30 April 2023	<u>4,775</u>	<u>569</u>	<u>2,386</u>	<u>7,730</u>

### Professional indemnity insurance

The provision reflects management's estimate of the likely cost of claims including professional indemnity insurance excesses. The provision will be carried forward until the claims to which they relate are agreed and amounts utilised or released as appropriate.

### Loss making contracts

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

### Dilapidation

The dilapidation provision represents dilapidations payable in relation to exiting offices.

## 15 Financial instruments

### *Foreign exchange forward contracts and options*

The company has overseas operations with a significant proportion of turnover relating to transactions conducted in US Dollars and Saudi Riyals. As a consequence the company uses foreign currency forward contracts and options to manage the foreign exchange risk of future transactions and cash flows.

The contracts are valued based on available market data. The company does not adopt hedge accounting for forward contracts and options, as such fair value gains and losses are recognised in the statement of income and retained earnings.

At the year end, the total carrying amount of outstanding foreign exchange forward contracts and options that the company has committed to are as follows:

	2023	2022
	'000	'000
US Dollars	3,000	3,150
Saudi Riyals	-	40,005
	<u>          </u>	<u>          </u>

## 16 Share capital

	2023	2022
	£'000	£'000
<b>Allotted, called up and fully paid</b>		
865 – Ordinary shares of £1 each	<u>          1          </u>	<u>          1          </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 Contingent liabilities

As a part of the ordinary business activities of the company, claims may arise in relation to work it undertakes. These claims are continually assessed and where required a provision is recognised (see note 14). Where the company believes it has acted properly, has robust defences for such claims or if insufficient information is available to assess the extent of the claim no provision is made.

## 18 Operating lease commitments

The company had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Payments due:</b>				
Within 1 year	3,006	650	1,440	1,347
Between 1 and 5 years	8,932	1,387	1,394	2,243
	<u>11,938</u>	<u>2,037</u>	<u>2,834</u>	<u>3,590</u>



## 19 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:

	2023	2022
	£'000	£'000
Sales of services	2,824	2,156
Purchases of services	515	32
Loans received during the year	(3,021)	
Amounts owed (to)/by related parties at year end	(173)	2,499

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, non-interest bearing and will be settled in cash. No guarantees have been given or received. A provision of £12.9m (2022: £nil) has been made for doubtful debts in respect of amounts owed by related parties with £12.9m (2022: £nil) charged to profit and loss.

## 20 Post balance sheet event

On 14 July 2023 the group increased the Revolving Credit Facility with HSBC UK to £30m, with an additional £10m accordion option after 12 months. There are no changes to the financial covenants as a result of this change.

## 21 Ultimate parent undertaking and 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 the smallest and largest Limited Liability Partnership for which consolidated accounts including Buro Happold 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.

**BURO HAPPOLD**

**Contact**

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[www.burohappold.com](http://www.burohappold.com)