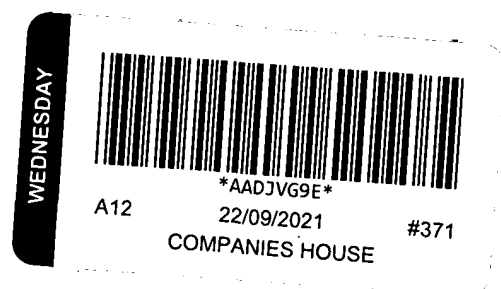


**Company Registration No. 03057104**

**Sweco Consulting Engineers Limited  
(formerly MLM Consulting Engineers  
Limited)**

**Annual report and financial statements**

**For the year ended 31 December 2020**



**Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

**Annual report and financial statements 2020**

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# **Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

## **Annual report and financial statements 2020**

### **Officers and professional advisers**

#### **Directors**

P D Bruce  
N V Cooper (resigned 31 December 2020)  
M H Joy  
E J Wells (resigned 31 May 2021)

#### **Company Secretary**

R Hirons

#### **Registered Office**

Grove House  
Mansion Gate Drive  
Leeds  
LS7 4DN

#### **Independent Auditors**

PricewaterhouseCoopers LLP  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

# Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)

## Strategic report

### Principal activities and review of business

The Company is engaged in the provision of professional consulting and engineering services.

With effect from 10 March 2021, the name of the Company was changed from MLM Consulting Engineers Limited to Sweco Consulting Engineers Limited.

On 3 May 2019 Sweco UK Holding Limited acquired 100% of the share capital of MLM Holdings Limited, the parent company of Sweco Consulting Engineers Limited. The ultimate parent company of Sweco UK Holding Limited is Sweco AB (publ) which is incorporated in Sweden.

During 2019, the Company changed its accounting period date from 30 April to 31 December in order to align with reporting by Sweco UK Holding Limited. Therefore, comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

The Company delivered a profit before taxation of £1,741,593 (8 months to 31 December 2019: £985,488).

Trading throughout the year was generally steady however market conditions across core markets were challenging.

The Company maintains a strong operational focus and remains well placed to trade profitably going forward.

The net assets of the Company increased by £1,371,969 in the year to £4,304,879 at the year-end (31 December 2019: £2,932,910).

### Future developments

Revenue and profitability of the Company since the year-end has been in line with expectations. The market in which the company operates is showing good signs of recovery, and the pipeline of orders coming through for the group in which the company operates is healthy. For details of post balance sheet events see the Director's report.

### Key performance indicators (KPIs)

A range of KPIs are relevant to the business and include measures on revenue, operating profit and margins, trade working capital, order book, staff utilisation, numbers and turnover. These KPIs provide information on current performance and help to identify issues and opportunities as they arise so allowing the business to be managed effectively.

### Principal risks and uncertainties

**Economic environment** – continuing economic uncertainty resulting in a downturn in one of our key markets may cause the Company's customers to cancel, postpone or reduce existing or future projects resulting in greater cost pressures and a reduction in operating margins. Throughout 2020 the Company has needed to respond to the implications and uncertainties that have arisen as a result of COVID-19 and we have implemented contingency plans to mitigate the effect on the Company's operations and employees. We continually review exposure to our key markets to ensure that we maintain a balanced portfolio of projects across the market.

**Retention of key personnel** – the Company's services are performed by experienced employees with expertise across the industry and their specific roles. Failure to recruit and retain suitably qualified employees could affect our ability to maintain and develop our business. This risk is mitigated through a number of different policies and initiatives which create an environment of fairness and equality. They include policies and initiatives in respect of performance and reward, equality, diversity and inclusion, anti-bullying and agile working. During the year the Company put in place a published People Plan to amplify these initiatives and engage employees in their delivery.

**Financial** – the risk of performance falling short of expectations. This includes reputational risk and liability risk not covered by professional indemnity insurance through project underperformance. Policies and procedures are in place to manage projects from bid through to completion. The Company insures against professional negligence claims.

**Reputational risk** – the risk of failing to comply with relevant legislation and regulations. The Company follows a strict Code of Conduct which covers ethics, conflict of interest, whistle-blowing and anti-fraud measures which is reinforced by regular updates.

# Sweco Consulting Engineers Limited

## Strategic report (continued)

### Principal risks and uncertainties (continued)

**Health and safety** – the risk relating to the health and safety of staff and third parties including clients, sub-contractors and members of the public. The Company has policies and procedures in place including accident reporting procedures designed to mitigate such risks.

**IT** – the main areas of risk are failure of the IT infrastructure and the risk associated with cyber security. Disruption of the infrastructure could result in a failure to deliver projects, difficulty in producing relevant information to control the business and reputational damage. Failure of cyber security could cause financial loss and reputational damage. The Company continually assesses and updates its controls and invests in latest technology to mitigate these risks.

### Section 172(1) statement

The directors acknowledge their responsibility under s172(1) of the Companies Act 2006 and below set out the key processes and considerations that demonstrate how they promote the success of the company.

**The likely consequences of any decision in the long term** - processes are in place to ensure that the directors receive all relevant information to enable them to make well-judged decisions in respect of the Company's long-term success

**The interests of the Company's employees** - employees are the Company's most important resource and the directors consider their interests in all major decisions. It is the Company's aim to always recruit, develop and retain the industry's top talent. There is a thorough process in place to ensure that the right employees are recruited. Candidates are required to meet high quality standards regarding conduct, approach and expertise. To retain people, the Company continually works to out-perform competitors in terms of providing development opportunities. Performance is actively managed to optimise the contribution of all employees.

Detailed processes and programmes ensure that key talent is developed which include the Sweco Career Pathways, the Sweco Employee Survey, the Sweco Academy training programmes and Sweco Talent Identification. Every employee's work and development is monitored carefully and thoroughly through our Sweco Talk process.

Staff attrition rates, reasons for leaving and employee satisfaction is regularly reviewed.

**The need to foster the Company's business relationships with suppliers, customers and others** - the directors review regularly to ensure that the communication and engagement with the Company's stakeholders is ongoing and sufficient.

The Company maintains strong working relationships with suppliers and continually monitors supplier payment days. In respect of key suppliers, diligence is undertaken around their working practices and ethics, as well as their financial stability.

Customers want to work with consultants who offer top expertise along with a high level of service and commitment. The Sweco client promise is to be the most approachable and committed partner with recognised expertise. This is integrated throughout the Company's processes – from recruitment through project implementation and evaluation. Client satisfaction is measured regularly and this year saw continued positive development from already high levels.

**The impact of the Company's operations on the community and the environment** - the directors take their responsibility within the community and wider environment seriously and are committed to managing the wider social, environmental and economic impacts of the Company's operations which includes the way it deals with its customers and manages its supply chain.

The Company continues to support a range of charitable and community activity.

The Company has adopted the goal of making Sweco Group's operations climate neutral by 2030. In doing so, the Company has committed to net zero emissions by 2030. Climate and environment form part of the basis for our business plan, strategy and internal priorities as well as ongoing dialogue with customers and other stakeholders.

# Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)

## Strategic report (continued)

### Section 172(1) statement (continued)

**The desirability of the Company maintaining a reputation for high standards of business conduct** - the directors set high standards for the Company and the companies it works with. Projects are only undertaken that are regarded as having been procured in a business ethical manner and human rights are respected, including zero tolerance for child labour. The Company has a framework of ethical policies which help employees become familiar with the rules and enables them to act accordingly. Business ethics is a standing item on monthly reviews and sustainability related risks are reported quarterly.

**The need to act fairly as between members of the Company** - the directors aim to understand the views of its members and to act in their best interests.

### Greenhouse gas emissions and energy use data

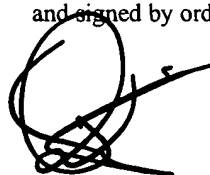
	Year ended 31 Dec 2020	8 months to 31 Dec 2019
Energy consumption used to calculate emissions (kWh)	<u>1,263,420</u>	<u>842,304</u>
Scope 1 emissions in metric tonnes CO <sub>2</sub> e	nil	nil
Scope 2 emissions in metric tonnes CO <sub>2</sub> e		
Purchased electricity	162.64	109.46
Scope 3 emissions in metric tonnes CO <sub>2</sub> e		
Business travel in employee owned vehicles	<u>146.86</u>	<u>103.60</u>
Total gross emissions in metric tonnes CO <sub>2</sub> e	<u>309.50</u>	<u>213.06</u>
Intensity ratio Tonnes CO <sub>2</sub> e per employee	0.93	0.59

Quantification and reporting methodology – the directors have followed the HM Government Environmental Reporting Guidelines. GHG Reporting Protocol – Corporate Standard and the UK Government’s Conversion Factors for Company Reporting have also been used. Carbon dioxide emissions resulting from energy use in our buildings and employee’s business travel have been reported.

Intensity measurement – the chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per employee.

Measures taken to improve energy efficiency – utilisation of Office 365 and video conferencing, facilitating agile working during the COVID pandemic and associated lockdowns will continue to be mainstream aligning with our Sustainability and Social Mobility Plan 2023 and carbon emission reduction targets. Over 70% of our offices are supplied with 100% renewable electricity and we are aiming to improve on this in 2021.

Approved by the Board of Directors  
and signed by order of the Board



R Hiron  
Secretary  
16 September 2021

# **Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

## **Directors' report**

The directors present their annual report and the audited financial statements for the 12 months ended 31 December 2020.

### **Change of name**

With effect from 10 March 2021, the name of the Company was changed from MLM Consulting Engineers Limited to Sweco Consulting Engineers Limited.

### **Result and future developments**

The profit for the year ended 31 December 2020 amounted to £1,371,969 (8 months to 31 December 2019: £1,439,690). The net assets of the Company were £4,304,879 at the year-end (31 December 2019: £2,932,910). A review of the Company's business, together with an indication of its future developments and a description of the principal risks facing the Company is provided in the strategic report.

### **Post balance sheet event**

In early 2021 the group headed by Sweco UK Holding Limited underwent an operational restructuring whereby all new business will be contracted for and delivered by Sweco UK Limited, a fellow group company. Work in progress at the time of the restructure will continue to be delivered by Sweco Consulting Engineers Limited. The directors expect that the trading activity of this company will therefore reduce over the remainder of 2021 and 2022.

### **Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

P D Bruce  
N V Cooper (resigned 31 December 2020)  
M H Joy  
E J Wells (resigned 31 May 2021)

### **Employees**

Full and fair consideration is given to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged.

### **Employee engagement statement**

Employees are encouraged to discuss with management any matters about which they are concerned and factors affecting the Company. In addition, the board takes account of employees' interests when making decisions and the employees are informed of the Company's performance on a regular basis. Suggestions from employees aimed at improving the Company's performance are welcomed. During the year the policy of providing employees with information about the Company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

### **Statement of engagement with suppliers, customers and others in a business relationship with the Company**

The directors acknowledge the need to foster the Company's business relationships with suppliers, customers and others. Further details are given in the strategic report which includes a section 172(1) statement.

# **Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

## **Directors' report (continued)**

### **Going concern**

The Company's business activities, financial position, key performance indicators and key risks and uncertainties are set out within the strategic report.

The directors have considered its future funding requirements taking into account the strength of the balance sheet, the pipeline orders and the good medium to long term forecast and projections which together help the Company to manage the impacts and uncertainties arising from the COVID-19 pandemic.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They have also received confirmation of financial support from an intermediate parent company, Sweco UK Holding Limited, and have concluded that the Company's financial statements should be prepared on a going concern basis.

### **Dividend**

No dividend was paid during the year (8 months to 31 December 2019: £nil). A dividend of £1,370,000 was proposed and paid on 20 April 2021.

### **Corporate responsibility**

Corporate responsibility is integral to what the Company does as an organisation; the essence of our business is to participate in creating sustainable living and working environments. Our ambition is to be at the forefront of the consulting engineering industry by supplying skills and services that take our clients further towards sustainability.

We have defined the following objective for the Company's commitment to our corporate responsibilities:

The Company wishes to play an active part in sustainable development in the societies in which it operates by acting responsibly with respect to:

- The market and delivering best practice in sustainability to our customers;
- Our environment and playing our part in mitigating and adapting to climate change;
- Our society and being good citizens;
- Our partners and ensuring integrity in our supply of services and our purchasing policies; and
- Our workplace and the employment of our staff.

The Company's approach has been to embed corporate responsibility and sustainability in all activities both in the delivery of innovative design and consultancy to clients, but also in relation to internal operations. In leading by example, the Company is committed to benefiting all stakeholders – customers, shareholders, employees and suppliers.

### **Financial risk management**

The Company is exposed to a number of financial risks in the normal course of business which include the following:

**Liquidity risk** - procedures are in place to ensure that the operational and working capital requirements of the Company can be met at all times. Cash flow forecasting is performed by the Company and it can draw on centralised Sweco Group resources, including borrowings and facilities to maintain liquidity.

**Credit risk** - credit risk arises primarily from credit exposure to customers. The Company has a customer credit policy in place and exposure to credit risk is monitored on an ongoing basis. The amounts presented in the balance sheet are net of allowances for doubtful debts. These allowances are reviewed continually and are based on prior experience and an assessment of current economic conditions.

**Foreign currency risk** - the Company is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than sterling. The level of these transactions is minimal and as a result the Company does not hedge everyday foreign currency transactions.

**Interest rate and cash flow risk** – there is limited exposure to interest rate changes.

**Price risk** – the nature of the Company's financial instruments means that it is not subject to price risk.



# **Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

## **Directors' report (continued)**

### **Statement of directors' responsibilities in respect of financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

### **Disclosure of relevant information to auditors**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

### **Independent Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. Pursuant to S487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been re-appointed as auditors and will therefore continue in office.

Approved by the Board of Directors  
and signed by order of the Board



R Hirons  
Secretary  
16 September 2021

# **Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

## **Independent auditors' report to the members of Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited) 's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2020; the Profit and loss account, Statement of comprehensive income and Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

### **Independent auditors' report to the members of Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited) (continued)**

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

##### **Auditors' 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 auditors' 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

## **Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

### **Independent auditors' report to the members of Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited) (continued)**

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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting journal entries to manipulate financial performance and management bias in determining significant accounting estimates. Audit procedures performed by the engagement team included:

- discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- obtaining supporting evidence for the significant assumptions and judgements made by management, particularly in respect of revenue recognition;
- identifying and testing journal entries using a risk-based targeting approach for unexpected account combinations or unusual words or phrases in the journal description; and
- reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

**Independent auditors' report to the members of Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited) (continued)**


**Other required reporting**

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Tom Yeates (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds  
16 September 2021

**Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

**Profit and loss account**

**Year ended 31 December 2020**

		<b>Year ended 31 Dec 2020 £</b>	<b>8 months to 31 Dec 2019 £</b>
	<b>Note</b>		
<b>Turnover</b>	3	22,385,044	14,669,896
Other operating income	4	5,280,897	4,302,104
Other operating expenses		(25,910,322)	(17,957,921)
<b>Operating profit</b>	5	1,755,619	1,014,079
Interest receivable and similar income	7	-	1,511
Interest payable and similar expenses	8	(14,026)	(30,102)
<b>Profit before taxation</b>		1,741,593	985,488
Tax on profit	9	(369,624)	454,202
<b>Profit for the financial year/period</b>		<u>1,371,969</u>	<u>1,439,690</u>

The above activities relate to continuing operations.

**Statement of comprehensive income**

**Year ended 31 December 2020**

	<b>Year ended 31 Dec 2020 £</b>	<b>8 months to 31 Dec 2019 £</b>
<b>Profit for the financial year/period</b>	<u>1,371,969</u>	<u>1,439,690</u>
<b>Total comprehensive income for the financial year/period</b>	<u>1,371,969</u>	<u>1,439,690</u>

The notes on pages 14 - 27 form part of these financial statements.


**Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

**Balance sheet  
As at 31 December 2020**

		2020 £	2019 £
	Note		
<b>Fixed assets</b>			
Tangible assets	10	1,171,736	1,367,367
		<u>1,171,736</u>	<u>1,367,367</u>
<b>Current assets</b>			
Debtors	11	13,907,242	11,813,825
Cash at bank and in hand		844,447	227,374
		<u>14,751,689</u>	<u>12,041,199</u>
<b>Creditors: amounts falling due within one year</b>	12	(11,196,270)	(10,169,132)
<b>Net current assets</b>		<u>3,555,419</u>	<u>1,872,067</u>
<b>Total assets less current liabilities</b>		<u>4,727,155</u>	<u>3,239,434</u>
<b>Creditors: amounts falling due after more than one year</b>	13	-	(2,276)
<b>Provision for other liabilities</b>	16	(422,276)	(304,248)
<b>Net assets</b>		<u>4,304,879</u>	<u>2,932,910</u>
<b>Capital and reserves</b>			
Called up share capital	17	601,000	601,000
Retained earnings	17	3,703,879	2,331,910
<b>Total shareholders' funds</b>		<u>4,304,879</u>	<u>2,932,910</u>

The notes on pages 15 - 27 form part of these financial statements.

The financial statements on pages 12 - 27 were approved by the Board of Directors on 16 September 2021 and signed on its behalf by



M H Joy  
Director

**Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

**Statement of changes in equity  
Year ended 31 December 2020**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total shareholders' funds £</b>
At 1 May 2019	601,000	892,220	1,493,220
Profit and total comprehensive income for the financial period	-	1,439,690	1,439,690
<b>At 31 December 2019</b>	<b>601,000</b>	<b>2,331,910</b>	<b>2,932,910</b>
Profit and total comprehensive income for the financial year	-	1,371,969	1,371,969
<b>At 31 December 2020</b>	<b>601,000</b>	<b>3,703,879</b>	<b>4,304,879</b>



# **Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

## **Notes to the financial statements Year ended 31 December 2020**

### **1. Accounting policies**

The principal accounting policies are summarised below and have been applied consistently in the current year and prior period.

#### **General information and basis of preparation**

Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited) is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006 and is registered in England. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

The following exemptions have been applied in the preparation of these financial statements, in accordance with FRS 102:

- certain financial instrument disclosures on the basis that equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated. FRS 102 paras 26.18(b), 26.19-26.21, 26.23;
- preparation of a statement of cash flows, on the basis that the Company is a qualifying entity and its ultimate parent company, Sweco AB (publ), includes the Company's cash flows in its own consolidated financial statements. FRS 102 para 1.12(b).

The financial statements have been prepared on a going concern basis, under the historical cost convention, and in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates and requires judgement in the process of applying the Company's accounting policies. Critical accounting adjustments and estimates are disclosed in note 2.

The financial statements are presented in pounds sterling because it is considered that is the currency of the primary economic environment in which the Company operates.

#### **Going concern**

The Company's business activities and financial position, key performance indicators, and key risks and uncertainties are set out in the strategic report.

In response to the COVID-19 pandemic during 2020, the Company continued to reinforce health and safety measures for employees and clients, ensure service delivery and protect the company's financial performance, cash flow and financial position.

The directors have considered its future funding requirements taking into account the strength of the balance sheet, the pipeline orders and the good medium to long term forecast and projections which together help the Company to manage the impacts and uncertainties arising from the COVID-19 pandemic.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They have also received confirmation of financial support from an intermediate parent company, Sweco UK Holding Limited.

As explained in Note 19, in early 2021 the company was party to an operational restructuring of the UK group of which it is part, which will result in a reduction in trading activity in this company in the medium term. The directors consider that the period over which this will take effect is greater than 12 months from the date of approval of these financial statements.

After considering all of the above, the directors have concluded that the Company's financial statements should be prepared on a going concern basis.

# Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)

## Notes to the financial statements (continued) Year ended 31 December 2020

### 1. Accounting policies (continued)

#### Turnover

Turnover comprises the value of contracting work executed during the period, recognised as contract activity progresses and the right to consideration is earned, and excludes Value Added Tax.

Unbilled turnover on individual contracts is included as amounts recoverable on contracts within debtors. Where individual on-account billings exceed revenue recognised on contracts, the excess is classified as deferred income within creditors.

#### Other operating income

Other operating income represents government grants received in respect of the Coronavirus Job Retention Scheme and income received in respect of recharges to other Sweco companies for salary costs and overheads.

#### Tangible assets

All tangible assets are initially recorded at cost. Assets in the course of construction represent the cost of purchasing, constructing and installing tangible assets ahead of their productive use. Assets held in the course of construction are not depreciated until they are brought into use.

Depreciation is provided to write off the cost less the estimated residual value of tangible assets by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	-	equally over life of the lease
Fixtures and fittings	-	Straight line over estimated useful life
Computer equipment	-	25% on cost

#### Foreign exchange

Non-monetary transactions in foreign currencies are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

#### Financial instruments

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

Financial liabilities and equity instruments are classified according to the substance of the contractual agreements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

##### (i) Financial assets and liabilities

All the financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the profit and loss account, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method.

# **Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

## **Notes to the financial statements (continued)** **Year ended 31 December 2020**

### **1. Accounting policies (continued)**

#### **Financial instruments (continued)**

- a) The contractual return to the holder is (i) a fixed amount, (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on events other than (1) a change of contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current periods or prior periods.
- e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent of future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c)

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### **(ii) Fair value measurement**

The best evidence of fair value measurement is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

#### **Leased assets**

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.

# **Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

## **Notes to the financial statements (continued)** **Year ended 31 December 2020**

### **1. Accounting policies (continued)**

#### **Leased assets (continued)**

##### **(i) Finance leased assets**

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined, the Company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

##### **(ii). Operating leased assets**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future or a right to pay less tax in the future. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment is measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

# Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)

## Notes to the financial statements (continued) Year ended 31 December 2020

### 1. Accounting policies (continued)

#### Taxation (continued)

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if : a) the Company has a legally enforceable right to set off current tax assets against current liabilities; and b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### Amounts recoverable on contracts

Amounts recoverable on contracts represent the value of the work completed on contracts at cost plus the proportion of estimated contract profits attributable to the stage of completion reached on the contract, less cash received on the contract. Certain contracts provide for separate fees in respect of defined contract stages on which profits are evaluated at each such stage. Provisions are made for all future anticipated contract losses. Payments on account represent cash received in excess of the value of work completed.

#### Pension costs

The Company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

### 2. Critical accounting judgements and estimates

In application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### *Critical judgements in applying the Company's accounting policies and key sources of estimation uncertainty*

Areas of judgement and sources of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements are:

**Revenue recognition and the assessment of the percentage of contract completion achieved:** The Company recognises revenue on contracts using stage of completion accounting. This requires an estimation of the total costs to be incurred over the length of the contract, which is used when calculating the stage of completion of the project, through comparison to the cost incurred to date. This ratio of costs incurred to total costs expected to be incurred is multiplied by the total value of the contract in arriving at the level of revenue to recognise as at the year-end. There is judgement in forecasting the total costs of any one project.

# Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)

## Notes to the financial statements (continued) Year ended 31 December 2020

### 2. Critical accounting judgements and estimates (continued)

**Work in progress and receivables valuation:** Work in progress and receivables are continually reviewed for impairment and provided for where necessary. The requirement for any provision is assessed based on the age of the debt or accrued income compared to agreed terms, recent history of default and current economic climate. The provision made at the balance sheet date was £509,683 (31 December 2019: £424,065).

**Professional indemnity claims:** The Company is subject to claims and litigation arising in the normal course of business. Where there is a dispute or where there is a risk of a dispute or claims in the future and where based on legal counsel advice, the Company estimates that it is probable that the claims will result in an outflow of economic resources, provision is made based on the Company's best estimate of the likely financial outcome. Where a reliable estimate cannot be made, or where the Company, based on legal counsel advice, considers that it is not probable that there will be an outflow of economic resources, no provision is recognised.

**Dilapidations:** A dilapidations provision is recognised when there is an obligation to repair damages which incur during the life of a property lease. The provision is based on management's best estimate of the obligation which forms part of the Company's unavoidable cost of meeting its obligations under the lease contracts. The provision made at the balance sheet date was £276,847 (31 December 2019: £197,767).

### 3. Turnover

Turnover comprises the value of contracting work executed during the period. All turnover relates to continuing operations of the Company's principal activities which arose in the United Kingdom.

### 4. Other operating income

Other operating income represents recharges from other group companies of £4,840,897 (2019: £4,302,104) and government grant income from the Coronavirus Job Retention Scheme of £440,000 (2019: £Nil).

### 5. Operating profit

Operating profit is stated after charging:

	Year ended 31 Dec 2020 £	8 months to 31 Dec 2019 £
Fees payable to the Company's auditors for the audit of the Company's statutory financial statements	38,500	39,000
Depreciation of tangible assets - owned	424,952	252,704
Depreciation of tangible assets - hire purchase contracts	13,385	57,971
Operating lease rentals	802,263	462,720

**Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

**Notes to the financial statements (continued)**  
**Year ended 31 December 2020**

**6. Information regarding directors and employees**

	<b>Year ended 31 Dec 2020 £</b>	<b>8 months to 31 Dec 2019 £</b>
Directors' emoluments	307,661	70,597
Value of Company pension contributions to pension schemes	16,655	4,633

	<b>Year ended 31 Dec 2020</b>	<b>8 months to 31 Dec 2019</b>
Retirement benefits are accruing to the directors under: Defined contribution pension schemes	2	2

The amounts in respect of the highest paid director are as follows:

	<b>Year ended 31 Dec 2020 £</b>	<b>8 months to 31 Dec 2019 £</b>
Remuneration of highest paid director	173,053	39,502
Company contributions paid to money purchase pension schemes	9,363	2,609

The average monthly number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

	<b>Year ended 31 Dec 2020</b>	<b>8 months to 31 Dec 2019</b>
Managerial and administration	334	363

	<b>Year ended 31 Dec 2020 £</b>	<b>8 months to 31 Dec 2019 £</b>
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	14,711,793	10,056,665
Social security costs	1,482,449	1,079,450
Other pension costs	711,754	505,886
	16,905,996	11,642,001

# Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)

## Notes to the financial statements (continued) Year ended 31 December 2020

### 6. Information regarding directors and employees (continued)

The Company participates in the MLM Personal Pension Plan and the Sweco Group Personal Pension Plan. The pension cost for the Company during the year was £711,754 (8 months to 31 December 2019: £505,886). The amount owing at the year-end was £120,726 (31 December 2019: £118,580).

### 7. Interest receivable and similar income

	Year ended 31 Dec 2020 £	8 months to 31 Dec 2019 £
Interest receivable	-	1,511

### 8. Interest payable and similar expenses

	Year ended 31 Dec 2020 £	8 months to 31 Dec 2019 £
Bank loan interest	-	30,102
Other interest	12,143	-
Exchange losses	1,883	-
	<u>14,026</u>	<u>30,102</u>

### 9. Tax on profit

The tax charge/(credit) comprises:

	Year ended 31 Dec 2020 £	8 months to 31 Dec 2019 £
<b>Current tax on profit</b>		
UK corporation tax	368,963	245,202
Adjustment in respect of prior years	-	(676,675)
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>661</u>	<u>(22,729)</u>
<b>Tax on profit</b>	<u>369,624</u>	<u>(454,202)</u>



# Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)

## Notes to the financial statements (continued) Year ended 31 December 2020

### 9. Tax on profit (continued)

The differences between the total tax position shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before taxation is as follows:

	Year ended 31 Dec 2020 £	8 months to 31 Dec 2019 £
<b>Profit before taxation</b>	<u>1,741,593</u>	<u>985,488</u>
Tax on profit before taxation at the standard UK corporation tax rate of 19% (8 months to 31 December 2019: 19%)	330,903	187,243
Effects of:		
Expenses not deductible for tax purposes	26,194	32,556
Adjustment in respect of prior years	-	(676,675)
Changes and differences in tax rate	<u>12,527</u>	<u>2,674</u>
<b>Tax on profit</b>	<u><u>369,624</u></u>	<u><u>(454,202)</u></u>

The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% from 1 April 2023. The legislation was not enacted during the year so deferred tax has been provided using the enacted rate of 19%. If deferred tax was calculated using the 25% rate the net deferred tax liability recognised at the balance sheet date would be increased from £107,142 to £140,976.

**Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

**Notes to the financial statements (continued)**  
**Year ended 31 December 2020**

**10. Tangible assets**

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2020	796,904	679,623	1,655,855	3,132,382
Additions	10,602	7,706	224,653	242,961
Disposals	-	-	(3,640)	(3,640)
At 31 December 2020	807,506	687,329	1,876,868	3,371,703
<b>Accumulated depreciation</b>				
At 1 January 2020	290,803	370,374	1,103,838	1,765,015
Charge for the year	74,607	73,593	290,137	438,337
Disposals	-	-	(3,385)	(3,385)
At 31 December 2020	365,410	443,967	1,390,590	2,199,967
<b>Net book value</b>				
At 31 December 2020	442,096	243,362	486,278	1,171,736
At 31 December 2019	506,101	309,249	552,017	1,367,367

The net carrying amount of assets held under hire purchase contracts included in computer equipment is £12,271 (2019: £117,617)

**11. Debtors**

	2020 £	2019 £
<b>Amounts due within one year:</b>		
Trade debtors	6,142,869	5,532,684
Amounts recoverable on contracts	2,645,068	2,181,011
Amounts owed by Group undertakings	4,463,868	3,429,987
Corporation tax	136,837	-
Other debtors	-	42,087
Prepayments and accrued income	518,600	628,056
	<u>13,907,242</u>	<u>11,813,825</u>

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand

Trade debtors are stated after provisions for impairment of £509,683 (2019: £424,055).

**Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)**

**Notes to the financial statements (continued)**  
**Year ended 31 December 2020**

**12. Creditors: amounts falling due within one year**

	2020 £	2019 £
Trade creditors	743,562	746,918
Amounts owed to Group undertakings	4,975,930	5,565,236
Hire purchase contracts	1,966	25,247
Corporation tax	-	153,513
Other taxation and social security	2,146,672	689,683
Other creditors	-	3,778
Accruals and deferred income	3,328,140	2,984,757
	<u>11,196,270</u>	<u>10,169,132</u>

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand

**13. Creditors: amounts falling due after more than one year**

	2020 £	2019 £
Hire purchase contracts	<u>-</u>	<u>2,276</u>

**14. Hire purchase contracts**

Minimum hire purchase payments are as follows:

	2020 £	2019 £
Not later than one year	1,966	25,247
Later than one year and not later than five years	-	2,276
Later than 5 years	-	-
	<u>1,966</u>	<u>27,523</u>
Total gross payments	1,966	27,523
Less: finance charges	-	-
	<u>1,966</u>	<u>27,523</u>
Total	<u>1,966</u>	<u>27,523</u>

# Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)

## Notes to the financial statements (continued) Year ended 31 December 2020

### 15. Commitments under operating leases

The Company had minimum lease payments under non-cancellable operating leases as follows:

	2020 Land and buildings £	2019 Land and buildings £
Within one year	461,511	482,491
In the second to fifth years inclusive	1,513,270	1,773,942
Over five years	399,398	602,802
	<u>2,374,179</u>	<u>2,859,235</u>

### 16. Provision for other liabilities

	Deferred tax £	Dilapidations £	Onerous leases £	Total £
At 1 January 2020	106,481	197,767	-	304,248
Charged to profit and loss account	661	79,080	38,287	118,028
At 31 December 2020	<u>107,142</u>	<u>276,847</u>	<u>38,287</u>	<u>422,276</u>

#### Deferred tax

The provision consists of accelerated capital allowances

#### Dilapidations

As part of the Company's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to the profit and loss account as the obligation arises.

#### Onerous leases

Where leasehold properties become vacant, the Company provides for all costs, net of anticipated income, to the end of the lease or the anticipated date of the disposal or sublease.

# Sweco Consulting Engineers Limited (formerly MLM Consulting Engineers Limited)

## Notes to the financial statements (continued) Year ended 31 December 2020

### 17. Capital and reserves

#### Allotted, called up and fully paid

	2020 £	2019 £
1,000 (31 December 2019:1,000) ordinary shares of £1 each	1,000	1,000
600,000 (31 December 2019:600,000) preference shares of £1 each	600,000	600,000
	<u>601,000</u>	<u>601,000</u>

The preference shares do not carry an entitlement to dividend and may be redeemed at face value at the option of the Company. Holders of the preference shares have no voting rights, and have the right on the winding up of the Company to be repaid at face value.

Retained earnings represent cumulative profits or losses, net of dividends paid and other adjustments.

### 18. Immediate and ultimate parent company

The immediate parent undertaking is MLM Holdings Limited.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Sweco AB (publ) which is incorporated in Sweden. Copies of the Sweco AB (publ) consolidated financial statements are available from Sweco AB (publ), Box 34044, SE-100 26 Stockholm, e-mail [info@sweco.se](mailto:info@sweco.se).

### 19. Post balance sheet events

In early 2021 the group headed by Sweco UK Holding Limited underwent an operational restructuring whereby all new business will be contracted for and delivered by Sweco UK Limited, a fellow group company. Work in progress at the time of the restructure will continue to be delivered by Sweco Consulting Engineers Limited. The directors expect that the trading activity of this company will therefore reduce over the remainder of 2021 and 2022.

A dividend of £1,370,000 (£1,370 per ordinary share) was proposed and paid on 20 April 2021, which will be accounted for in the year ending 31 December 2021 in accordance with FRS 102.