

Registered number: 05674734

## HAPPOLD SAFE & SECURE LIMITED

### DIRECTOR'S REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016



# **HAPPOLD SAFE & SECURE LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

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# **HAPPOLD SAFE & SECURE LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTOR** N R Squibbs

**COMPANY SECRETARY** D Conway

**COMPANY NUMBER** 05674734

**REGISTERED OFFICE** Camden Mill  
Lower Bristol Road  
Bath  
BA2 3DQ

**AUDITOR** RSM UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

## **HAPPOLD SAFE & SECURE LIMITED**

### **DIRECTOR'S REPORT** **Year ended 30 April 2016**

The director presents the report and the financial statements for the year ended 30 April 2016.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company is that of consulting engineers providing professional design and advisory services to the property and construction sectors.

#### **REVIEW OF BUSINESS**

This financial year profit before taxation has decreased to £2,000 (2015: £6,000). The director's intention is that the company will cease to trade from 1 May 2016, as such these financial statements are not prepared on a going concern basis. All income and expenses during the year ended 30 April 2016 relate to discontinued operations.

In the future the director plans to move the company to dormant status.

#### **KEY PERFORMANCE INDICATORS**

The company's key performance indicator is the effectiveness of profit margin. The profit margin has increased to 40.0% (2015: 35.7%).

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

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

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

#### **DIRECTOR**

The director who served during the year, and up to the date of this report, was:

N R Squibbs

#### **THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS**

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

## **HAPPOLD SAFE & SECURE LIMITED**

### **DIRECTOR'S REPORT (continued) Year ended 30 April 2016**

#### **RESULTS AND DIVIDENDS FOR THE YEAR**

The profit for the year, after taxation, amounted to £2,000 (2015: £5,000). The director does not recommend payment of a final dividend (2015: £nil).

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company is exposed to a number of financial risks including credit risk and management of working capital.

Credit risk – The risk of clients being unable to pay for work performed by the company has the potential to impact the performance of the company. 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.

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 payments on contracts where possible.

#### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1 to the financial statements, the director does not believe the going concern basis to be appropriate, accordingly the financial statements have not been prepared on a going concern basis.

The director is 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. He is 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.

## **HAPPOLD SAFE & SECURE LIMITED**

### **DIRECTOR'S REPORT (continued)** **Year ended 30 April 2016**

#### **PROVISION OF INFORMATION TO THE AUDITOR**

The director at the time when this Director's Report is approved has confirmed that:

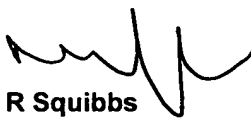
- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware,
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing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

#### **AUDITOR**

The auditor, RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board on 11 August 2016 and signed on its behalf.



**N R Squibbs**  
Director

## **HAPPOLD SAFE & SECURE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF HAPPOLD SAFE & SECURE LIMITED**

We have audited the financial statements on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Director's Responsibilities Statement, set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

### **OPINION ON 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **EMPHASIS OF MATTER – BREAK UP BASIS**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the accounting policies to the financial statements concerning the company's ability to continue as a going concern and the preparation basis of the financial statements. The director has taken the decision to cease trading, as explained in note 1, "Accounting Policies". Therefore the financial statements have not been prepared on a going concern basis. The financial statements have not required any adjustments resulting from the fact that the financial statements have been prepared on a break up basis.

## **HAPPOLD SAFE & SECURE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF HAPPOLD SAFE & SECURE LIMITED (continued)**

#### **OPINION ON OTHER MATTER PRESCRIBED BY COMPANIES ACT 2006**

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the director's report.

*RSM UK audit LLP*

Heather Wheelhouse (Senior Statutory Auditor)  
for and on behalf of

**RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor**  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

Date: *8 September 2016*



## HAPPOLD SAFE & SECURE LIMITED

### STATEMENT OF INCOME AND RETAINED EARNINGS Year ended 30 April 2016

	Note	2016 £'000	2015 £'000
<b>TURNOVER</b>	1,3	5	14
Cost of sales		(3)	(8)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	2	6
Tax charge on profit on ordinary activities	5	-	(1)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		2	5
Retained earnings at 1 May		213	208
<b>RETAINED EARNINGS AT 30 APRIL</b>		215	213

All amounts relate to discontinued 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 9 to 13 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
**At 30 April 2016**

	Note	2016		2015	
		£'000	£'000	£'000	£'000
<b>CURRENT ASSETS</b>					
Debtors	6	<u>215</u>		<u>213</u>	
<b>NET ASSETS</b>			<u>215</u>		<u>213</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	7		-		-
Profit and loss account			<u>215</u>		<u>213</u>
<b>TOTAL EQUITY</b>			<u>215</u>		<u>213</u>

The financial statements on pages 7 to 13 were approved and authorised for issue by the board and were signed on its behalf on 11 August 2016.



**N R Squibbs**  
Director

The notes on pages 9 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 April 2016**

**1. ACCOUNTING POLICIES**

**1.1 General information**

Happold Safe & Secure Limited is a limited company domiciled and incorporated in England. The address of the company's registered office is given on page 1. The company's principal activities and nature of operations are set out in the Director's Report on page 2.

**1.2 Basis of preparation of financial statements**

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

These are the first financial statements of Happold Safe & Secure Limited prepared in accordance with FRS 102. The financial statements of Happold Safe & Secure Limited for the year ended 30 April 2015 were prepared in accordance with the Financial Reporting Standard for Smaller Entities ("FRSSE") (effective April 2008).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from the FRSSE. Consequently the director has amended certain accounting policies to comply with FRS 102. The director has also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS.'

No restatement of the comparative figures is required as a result of the change in the basis of preparation of financial statements.

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

*Reduced disclosures*

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

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts and net gains/losses for each category of financial instrument; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

*Going concern*

For the reasons explained in the Director's Report, the financial statements have not been prepared on a going concern basis. There are no adjustments to the financial statements arising from the company's expectation that it will not continue as a going concern.

*Functional and presentational currencies*

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

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 April 2016**

**1. ACCOUNTING POLICIES**

**1.3 Turnover**

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

*Sale of professional services*

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 materials, as a proportion of total costs. There is no minimum stage of completion which must be reached before profit can be recognised. However, where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

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

**1.4 Long-term contracts and revenue recognition**

Revenue is recognised in line with the completion of projects. The percentage completion is determined using the cost approach. Costs incurred to date are compared to the 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 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.

**1.5 Financial instruments**

The company has elected to apply the provisions of section 11 'Basic Financial Instruments' and section 12 'Other Financial Instruments Issues' of FRS 102, in full, and to all of its 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 currently 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.

**1.6 Taxation**

The taxation expense represents the current tax expense. Current taxation assets or liabilities are not discounted.

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.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 April 2016**

**2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

These estimates and assumptions concern the future and will, by definition, seldom equal the related actual results. The estimate and judgement that has the most significant effect on the amounts recognised in the financial statements is 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.

**3. TURNOVER**

An analysis of turnover by geographical area is as follows:

	<b>2016 £'000</b>	<b>2015 £'000</b>
UK	5	12
Rest of the World	-	2
	<u>5</u>	<u>14</u>

**4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Fees payable to RSM UK Audit LLP and its associates in respect of audit services are as follows:

	<b>2016 £'000</b>	<b>2015 £'000</b>
Audit services – statutory audit of the company	<u>1</u>	<u>1</u>

During the year, no director received any emoluments (2015 - £nil).

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 April 2016**

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

<b>CURRENT TAX</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b>		
UK corporation tax charge on profit for the year	-	1
<b>Tax on profit on ordinary activities</b>	-	1

**Factors affecting tax charge for the year**

The tax assessed for the year is the standard rate of corporation tax in the UK of 20% (2015 – 20.9%).

**Factors that may affect future tax charges**

The director is not aware of any factors that could materially affect the future tax charge.

<b>6. DEBTORS</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Trade debtors	1	1
Amounts owed by group undertakings	214	212
	<u>215</u>	<u>213</u>

<b>7. SHARE CAPITAL</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
<b>Allotted, called up and fully paid</b>		
1 – Ordinary share of £1 each	-	-

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.

**8. CONTINGENT LIABILITY**

The company is registered under a group VAT scheme and jointly liable for the group VAT liability. The group VAT liability outstanding at year end was £1,347,000 (2015: £779,000).

## **HAPPOLD SAFE & SECURE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 April 2016**

#### **9. 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.

#### **10. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The director considers the ultimate parent undertaking to be Happold LLP, a Limited Liability Partnership registered in the United Kingdom. Happold LLP is the smallest and largest Limited Liability Partnership for which consolidated accounts including Happold Safe & Secure 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.