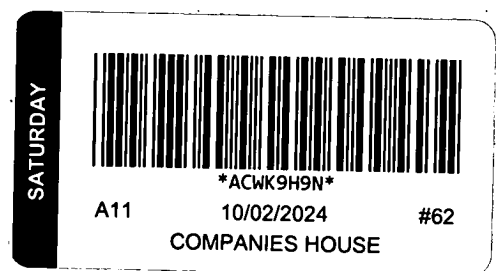


Registered number: 01106549

# **BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2023**



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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	J G Askew P Burton N F Greensill I F Lawrence W J Newman A G Sarjeant (resigned 15 May 2023) M B Sheaf (appointed 1 December 2023)
<b>Company secretary</b>	J G Askew
<b>Registered number</b>	01106549
<b>Registered office</b>	Bembridge House Bembridge Drive Kingsthorpe Northampton NN2 6LZ
<b>Independent auditors</b>	MHA Century House The Lakes Northampton NN4 7HD
<b>Bankers</b>	Barclays Bank Plc 1 Snowhill Snow Hill Queensway Birmingham B4 6GN

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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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## **BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2023**

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#### **Introduction**

The Directors present their Strategic Report and the financial statements for the year ended 31 October 2023.

#### **Business review**

The principal activity of the Company is providing Building Services solutions across multiple sectors including: Commercial, Education, Health, Industrial, Manufacturing, Leisure, Pharmaceutical and Research to the construction industry. The Company offer services from concept design through to detailed design, supply, installation, commissioning and setting to work of mechanical, electrical, public health and many other specialist systems.

The year to 31 October 2023 marks a significant turnaround in the performance and fortunes of the Company. We have returned to a profit following a loss last year, cash has improved substantially, our regional businesses have been re-organised, the cost base has been reduced, and the order book is at a record level. Turnover in the year increased by 4% to £105.6m (2022 - £101.9m) with a profit before tax for the financial year of £1.3m (2022 - loss before tax of £1.6m). This performance was achieved due to a high level of new business wins from both existing and new customers secured through much improved procurement routes enabling an improvement to margins. Overheads were carefully managed, and the previous four business regions consolidated into two new regions for Southeast and Western resulting in £1.1m of future annualised cost savings.

Net current assets increased by 10% to £11.1m (2022 - £10.1m) reflecting the Company's profit performance in the year being retained on the balance sheet. There were no dividends paid in the year.

The forward order book as at 31 October 2023 including contracts in the final stages of negotiation was £263.4m (2022 - £192.9m) which includes £150.1m (2022 - £101.9m) of secured orders and a further £113.3m (2022 - £91.0m) of contracts in the final stages of negotiation. The Company maintains good client relationships and an excellent delivery record, resulting in a strong pipeline of further opportunities supporting future years. The contract value and quality of the order book puts the Company in an excellent position for future profitable volume growth, expected to be around 25% in the next financial year.

The cash position improved substantially to £8.5m (2022 - £0.3m) due to improved trading and a continual focus on good cash management.

The Company remains fully committed to training with a continued focus on our future talent requirements. 24 staff are employed in both technical and craft trainee positions. Several of the Company's apprentices and trainees were recipients of National Industry Awards. This, together with additional training and development for more established staff, fully recognises the importance of a highly skilled and experienced workforce and we are very proud of our record in respect of staff retention with many of our previous trainees now holding senior positions within the business including at director level.

Average employee headcount reduced to 255 (2022- 287) within the year, following a reorganisation of the Company's regional structure. The employee numbers include 41 of supervisory, craftsman/operative roles.

Following the implementation last year of a group wide sustainability strategy, we have been busy implementing the practical steps to ensure delivery of our vision to be the leader in sustainability within the M&E sector. We have good engagement levels from our company champions, employees and supply chain, which will help to deliver this vision. Our key climate pledge continues to be achieving net zero in our own scope 1 and 2 emissions by 2030 and be net zero in our business and across our supply chain by 2040.

In respect of Health, Safety, Environmental and Quality, the Company continues to pursue the highest levels of risk management across our sites and offices providing compliance with the latest regulations and standards in all appropriate respects with the support of our dedicated in house HSE and Quality teams. The Company also continues to invest in Sympol CMS (CoSHH Management System) enabling us access to all the very latest in CoSHH Assessments, Safety Data Sheets, and to Croner-I which gives us access to the most up to date legal

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## **BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023**

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and regulatory documentation for Health & Safety and Environmental data to ensure that our processes and procedures are up to date with the latest mandatory and best practices requirements.

The Company encourages the workforce to report all incidents including near misses and continues to encourage participation in our behavioural safety initiative 'Our Site, Our Safety, Our Lives' empowering our workforce to review the workplace before commencing daily activities.

We have a strategy to drive continuous improvement in our Health and Safety statistics. The company is extremely proud that no RIDDOR accidents occurred in the year therefore our Total HSE Reportable Accident Frequency Rate (AFR) is zero (2022 – 0.34) per 100,000 hours worked. Additionally, the total number of accidents reported decreased in the year to 20 (2022 – 38).

Health, Safety and Environmental training continues through our investment in an E-Learning portal, providing mandatory and easily accessible training courses. Where appropriate these are provided virtually, otherwise face to face training courses are instigated to ensure our employees are fully aware and competent to deal with the inherent risk of working in construction, and the specific risks which may be associated with the tasks they are undertaking.

The Company continues its commitment to training and development fully recognising the importance of our people retention and is proud of its record in this respect. The business creates opportunities for all, including apprenticeship programmes.

#### **Principal risks and uncertainties**

The Directors have developed strategies to achieve our planned profitable growth and have funding arrangements in place to cover all foreseeable needs. The Group continually introduces new products to meet the exacting and changing needs of its marketplace. With our well-established procedures and controls that are in place, any risks to Cash Flow and/or Credit Risks are treated as high priority and are well managed, given the current economic uncertainty.

The Directors continually review the risks facing the business. Where it is considered cost effective, risks to the Group and its business are covered by all required forms and levels of insurance. External factors, over which the Group has little control, include the effect of government legislation and the level of economic activity in the United Kingdom. Internal factors include the skills and competencies of staff of which ongoing training requirements are at the forefront of our thoughts. The Company continually adapts to these types of changes that affect the industry.

#### **Financial management objectives and policies**

##### **Cash Flow Risk**

Cash flow for the Company is centrally managed with the Group being cash generative, having competent commercial teams in place within the operating businesses providing a common and consistent approach to maintaining a strong bank balance. Detailed cash flow forecasts are prepared by all trading Companies within the Group, with the objective of alerting the directors of any future potential risks.

##### **Credit Risk**

To mitigate the effect of the Company being unable to recover sums due from its customers, it carries out full credit status checks on any prospective new clients, prior to the commencement of any contract it undertakes and regularly reviews the ongoing credit status of existing clients. In the event of any perceived financial risk, assurances or third-party guarantees are sought by the Company. Our teams continually keep informed through established relationships to gain market intelligence that can provide early warnings of potential issues, which we act upon where appropriate.

##### **Supply Chain**

The Company carries out regular reviews of the credit status of key suppliers and sub-contractors to mitigate any risk to the successful completion of any of the works in progress. The Company has formal Supply Chain

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## **BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023**

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arrangements with many of our key supplier and sub-contractor partners with mature relationships gained over a period of nearly two decades.

#### **Competition**

The Company continues to operate in an extremely competitive and inflationary market. The Company maintains and builds strong relationships with its customers and future customers and sees repeat business as being a measurement of its success in this strategy. The Group's Excellence at Every Level strategy defines this approach that is instilled across our teams, delivery workforce and our supply chain.

#### **Health & Safety**

Health and Safety is taken very seriously throughout the Company which continues to win prestigious awards for its performance in this area. Our in-house qualified Health, Safety, Environmental and Quality team is well directed and resourced to meet expected operational and technical demands. The team have implemented, manage, and continually update a fully integrated management system that is certified to the ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 standards.

#### **Employee Ownership Trust**

Briggs & Forrester Engineering Services Limited along with other companies in the Briggs & Forrester Group is part of the Briggs & Forrester Employee Ownership Trust (EOT) which was established in March 2020 with the previous shareholders having completed the sale of the Group. The Group believes that equal benefits of employee ownership provided by the EOT will enhance employee engagement and drive performance when compared to other privately owned businesses.

The EOT Advisory Panel (AP) was established in 2021 and holds regular meetings throughout the year to discuss many ideas and issues raised by our employees to our two elected employee representatives that sit on the AP. Company updates and various initiatives have then been communicated to all employees via the AP.

Our EOT representatives are focused on our people, and jointly with the social value champions across the group we provide support and numerous communications to all our employees in respect of mental health ideas, financial support, and health/wellbeing recommendations. In addition to our fully trained Health & Safety-First Aiders we also have several fully trained Mental Health First Aiders available to all employees to provide a good level of support to our workforce.

As part of the EOT there is a Growth Share Plan to continually incentivise key staff across the Group. The first growth share allocation was made in January 2021 and a further allocation took place in June 2023.

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## **BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023**

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#### **Employees**

The Company's success continues to rely heavily on the performance of its staff and operates in a very competitive environment for recruitment and retention of such employees. To mitigate these issues the Company offers a very competitive and attractive remuneration package and provides ongoing training with updates and new courses being regularly attended. The Company also has an employee incentive scheme for any new staff introductions to the organisation.

In addition to the EOT AP, we continue to share information about the Group through internal media methods. Regular meetings are held between local management and employees to allow the free flow of information and ideas.

It is the Company's policy to treat its employees without discrimination and we operate an equal opportunities and employment practices policy to achieve this. The Company operates a progressive employee training and development scheme through Craft Apprenticeships, Technical and Graduate training.

The Company fully considers applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a person with disabilities. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions, and to provide training and career development and promotion to disabled employees wherever appropriate.

#### **Streamlined energy and carbon reporting**

The Company qualifies as a low energy user and is exempt from reporting. Please refer to the financial statements of the ultimate parent company for this information on a Group basis.

#### **Financial key performance indicators**

The Directors consider the following Key Performance Indicators when assessing the performance of the Company:

##### **Turnover**

Turnover for the year increased by 4% to £105.6m (2022 - £101.9m)

##### **Profit/loss before tax**

Profit before tax for the year was £1.3m (2022 – loss of £1.6m)

##### **Net assets**

Net assets at the balance sheet date increased by 10% to £11.1m (2022 - £10.1m)

#### **Other key performance indicators**

The workforce is considered a key driver of the business and therefore the following staff indicators are also considered to be Key Performance Indicators:

##### **Average staff numbers**

Average staff numbers for the year were 255 (2022- 287)

##### **Trainee roles**

Of these members of staff 24 (2022- 20) were employed in either technical or craft apprenticeship roles.

##### **Health and Safety**

Total HSE Reportable Accident Frequency Rate (AFR) is zero (2022 - 0.34) per 100,000 hours worked.

The reasons for the movements in the KPIs have been considered and included in the Business Review.

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## BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

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#### Directors' statement of compliance with duty to promote the success of the Company

The Board of Directors always consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s172(1) (a) - (f) of the Companies Act 2006, in the decisions taken during the year ended 31 October 2023.

Our plan is designed to have a long-term beneficial impact on the group and to contribute to its success in delivering a high quality of service across all areas of our business.

Our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our team members is one of our primary considerations in the way we conduct our business. Engagement with suppliers and customers is also key to our success. We meet with our major suppliers and sub-contractors regularly throughout the year and take the appropriate action, when necessary, to prevent involvement in modern slavery, corruption, bribery, and breaches of competition law.

Our plan considers the impact of the Company's operations on the community and environment and our wider social responsibilities, and how we comply with environmental legislation and pursue waste-saving opportunities and react promptly to local concerns.

As the Board of Directors, our intention is to behave in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan. The intention is to nurture our reputation, through both construction and delivery of our plan, that reflects our values, beliefs and culture.

As the Board of Directors, our intention is to behave responsibly towards all our enlightened stakeholders and treat them fairly and equally, so that they too may benefit from the successful delivery of our plan.

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



.....  
**J G Askew**  
Secretary

Date: 8 February 2024



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## **BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2023**

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The directors present their report and the financial statements for the year ended 31 October 2023.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £1,001,479 (2022 - loss £1,575,534).

#### **Directors**

The directors who served during the year were:

J G Askew  
P Burton  
N F Greensill  
I F Lawrence  
W J Newman  
A G Sarjeant (resigned 15 May 2023)

#### **Future developments**

The Directors intend for the Company to continue its strategy of organic growth.

#### **Matters covered in the Strategic Report**

The Directors have omitted certain items from the Directors Report as they are disclosed within the Strategic Report instead, in accordance with S414C (11) of Companies Act 2006.

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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2023**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Going concern**

The going concern position of the Company has been considered in detail in note 2.3.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

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



.....  
**J G Askew**  
Secretary

Date: 8 February 2024

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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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**Opinion**

We have audited the financial statements of Briggs & Forrester Engineering Services Limited (the 'Company') for the year ended 31 October 2023, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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.

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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and 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.

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

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## **BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED (CONTINUED)**

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#### **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 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:

- Enquiry of management around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and review of accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

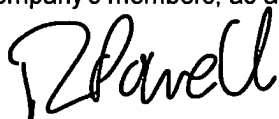
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED (CONTINUED)**

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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 Auditors' 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.



Richard Powell BA FCA (Senior Statutory Auditor)

for and on behalf of  
**MHA**

Statutory Auditors

Northampton, United Kingdom

Date: *8 February 2024*

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 OCTOBER 2023**

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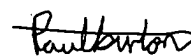
	Note	2023 £	2022 £
Turnover	4	105,555,183	101,931,429
Cost of sales		(95,123,142)	(93,620,474)
<b>Gross profit</b>		<b>10,432,041</b>	<b>8,310,955</b>
Administrative expenses		(9,190,503)	(10,033,156)
Other operating income	5	49,425	150,371
<b>Operating profit/(loss)</b>	6	<b>1,290,963</b>	<b>(1,571,830)</b>
Interest receivable and similar income	10	19,160	-
Interest payable and similar expenses	11	-	(2,956)
<b>Profit/(loss) before tax</b>		<b>1,310,123</b>	<b>(1,574,786)</b>
Tax on profit/(loss)	12	(308,644)	(748)
<b>Profit/(loss) after tax</b>		<b>1,001,479</b>	<b>(1,575,534)</b>
Retained earnings at the beginning of the year		10,116,866	11,692,400
Profit/(loss) for the year		1,001,479	(1,575,534)
<b>Retained earnings at the end of the year</b>		<b>11,118,345</b>	<b>10,116,866</b>
The notes on pages 14 to 28 form part of these financial statements.			

**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**  
**REGISTERED NUMBER: 01106549**

**BALANCE SHEET**  
**AS AT 31 OCTOBER 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	13	41,690	30,987
Tangible assets	14	731,039	849,390
		<u>772,729</u>	<u>880,377</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	48,359,451	46,775,090
Cash at bank and in hand	16	8,494,948	317,503
		<u>56,854,399</u>	<u>47,092,593</u>
Creditors: amounts falling due within one year	17	(46,508,683)	(37,843,585)
<b>Net current assets</b>		<u>10,345,716</u>	<u>9,249,008</u>
<b>Total assets less current liabilities</b>		<u>11,118,445</u>	<u>10,129,385</u>
<b>Provisions for liabilities</b>			
Deferred tax	18	-	(12,419)
<b>Net assets</b>		<u><u>11,118,445</u></u>	<u><u>10,116,966</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	100	100
Profit and loss account	20	11,118,345	10,116,866
		<u><u>11,118,445</u></u>	<u><u>10,116,966</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
 .....  
**P Burton**  
 Director

Date: 8 February 2024

The notes on pages 14 to 28 form part of these financial statements.



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## **BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023**

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#### **1. General information**

Briggs & Forrester Engineering Services Limited is a private company limited by shares, registered in England and Wales, registered number 01106549. The registered office and principal place of business is Bembridge House, Bembridge Drive, Kingsthorpe, Northampton, NN2 6LZ.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Briggs & Forrester (UK) Limited as at 31 October 2023 and these financial statements may be obtained from the Registrar of Companies.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2023**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The financial statements have been prepared on a going concern basis and the Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

High inflation impacted the profitability of some of our fixed price contracts during the year. Much of the inflation impacted the previous year but as those projects reach completion they are at lower levels of margin. There have also been some project delays which has impacted the turnover and profitability for the year where we have not always been able to recover all our costs towards the end of some contracts. Both inflation and delays have now eased significantly, and the inflationary protection measures we put in place when we first saw the impact of higher material prices has restricted our future exposure.

In response to the challenges above, the Directors have performed a robust analysis of forecast future cash flows considering the potential impact on the business of possible future scenarios arising from the impact of further market disruption. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Bank funding facilities have been reviewed for the Group and a new £4.0m 3-year fixed term loan facility was agreed in June 2023 with Barclays Banking Group, which is sufficient for the needs of the Group demonstrated by its future cash flow projections.

Based upon these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty to adopt the going concern basis in preparing the annual report and accounts.

**2.4 Turnover**

Turnover represents amounts invoiced during the year, excluding Value Added Tax, except in respect of contracting activities. For contracting activities, turnover represents the value of work carried out during the year, including amounts not yet invoiced. The amount by which turnover exceeds progress payments received and receivable is classified as "Amounts recoverable on contracts" and is separately disclosed in debtors. Progress payments received in excess of amounts matched with turnover are classified as "Payments received on account" and are separately disclosed in creditors.

**2.5 Profit recognition on contracts**

Profit is recognised on long term contracts when such a contract is substantially complete. The amount of profit recognised is a proportion of the total forecast profit on the contract by reference to the stage of completion at the balance sheet date, taking account of agreed claims.

The recognition of profit on long term contracts is in accordance with FRS 102, which unlike the Companies Act 2006, allows unrealised profit to be included in the profit and loss account for the period. This departure from the provisions of the Act is required in order to give a true and fair view.

**2.6 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2023**

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**2. Accounting policies (continued)**

**2.7 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.8 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.9 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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## BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

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#### 2. Accounting policies (continued)

##### 2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software	-	25% on a straight line basis
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##### 2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Plant and machinery	-	20% - 25%
Fixtures and fittings	-	10%
Office equipment	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2023**

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**2. Accounting policies (continued)**

**2.15 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.16 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2023**

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**2. Accounting policies (continued)**

**2.17 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2, management have been required to make judgments, estimates and assumptions. These estimates which relate to the carrying values of assets and liabilities, where not readily available from other sources, are based on underlying assumptions and experience. Actual results may differ from these estimates. These estimates and assumptions are reviewed on an on-going basis.

The principal judgments are with regard to the assessment of completion of work on long term contracts, and the recognition of associated costs and revenues. Management closely monitors the progress on these projects with reference to agreed schedules of work, agreed to contract amendments and certified applications for payment and use this in making their informed assessment of completion and profit recognition.

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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2023**

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**4. Turnover**

All turnover arose within the United Kingdom and is attributable to the principal activity of the Company.

**5. Other operating income**

	2023 £	2022 £
Research and Development tax credit	<u>49,425</u>	<u>150,371</u>

**6. Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	151,832	166,318
Amortisation of intangible assets	8,695	21,301
Other operating lease rentals	<u>826,979</u>	<u>640,848</u>

**7. Auditors' remuneration**

During the year, the Company obtained the following services from the Company's auditors and their associates:

	2023 £	2022 £
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	23,000	22,500

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2023**

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**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	15,516,150	16,163,347
Social security costs	1,623,978	1,829,398
Cost of defined contribution scheme	769,458	813,897
	<u>17,909,586</u>	<u>18,806,642</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Production staff	30	35
Administrative staff	225	252
	<u>255</u>	<u>287</u>

**9. Directors' remuneration**

	2023 £	2022 £
Directors' emoluments	638,622	735,632
Company contributions to defined contribution pension schemes	47,345	57,569
	<u>685,967</u>	<u>793,201</u>

During the year retirement benefits were accruing to 4 Directors (2022 - 4) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £199,317 (2022 - £200,422).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Directors amounted to £18,167 (2022 - £20,109).



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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2023**

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**10. Interest receivable**

	2023 £	2022 £
Other interest receivable	19,160	-

**11. Interest payable and similar expenses**

	2023 £	2022 £
Other interest payable	-	2,956
	-	2,956

**12. Taxation**

	2023 £	2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	326,915	-
Adjustments in respect of previous periods	-	(23,267)
<b>Total current tax</b>	<b>326,915</b>	<b>(23,267)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences - Capital allowances	(18,059)	24,019
Origination and reversal of timing differences - Other	(212)	(4)
<b>Total deferred tax</b>	<b>(18,271)</b>	<b>24,015</b>
<b>Tax on profit/(loss)</b>	<b>308,644</b>	<b>748</b>

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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2023**

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**12. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2022 - higher than) the standard rate of corporation tax in the UK of 25% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit/(loss) on ordinary activities before tax	<b>1,310,123</b>	(1,574,786)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2022 - 19%)	<b>327,531</b>	(299,209)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>34,741</b>	27,853
Adjustments to tax charge in respect of prior periods	-	(23,267)
Short-term timing difference leading to an increase (decrease) in taxation	<b>17,898</b>	9,991
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	<b>(12,356)</b>	(28,570)
Adjustment due to a change in tax rates in the year	<b>(54,864)</b>	-
Group relief	<b>(4,306)</b>	313,950
<b>Total tax charge for the year</b>	<b>308,644</b>	748

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2023**

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**13. Intangible assets**

	<b>Computer software £</b>
<b>Cost</b>	
At 1 November 2022	210,740
Additions	19,398
Disposals	(23,229)
At 31 October 2023	<u>206,909</u>
<b>Amortisation</b>	
At 1 November 2022	179,753
Charge for the year on owned assets	8,695
On disposals	(23,229)
At 31 October 2023	<u>165,219</u>
<b>Net book value</b>	
At 31 October 2023	<u><u>41,690</u></u>
At 31 October 2022	<u><u>30,987</u></u>

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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2023**

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**14. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 November 2022	362,600	324,022	743,578	8,283	1,438,483
Additions	-	24,140	8,165	1,176	33,481
Disposals	-	(104,542)	(55,861)	(4,868)	(165,271)
At 31 October 2023	362,600	243,620	695,882	4,591	1,306,693
<b>Depreciation</b>					
At 1 November 2022	32,967	171,919	376,395	7,812	589,093
Charge for the year on owned assets	4,600	76,879	69,355	998	151,832
Disposals	-	(104,542)	(55,861)	(4,868)	(165,271)
At 31 October 2023	37,567	144,256	389,889	3,942	575,654
<b>Net book value</b>					
At 31 October 2023	325,033	99,364	305,993	649	731,039
At 31 October 2022	329,633	152,103	367,183	471	849,390

**15. Debtors**

	2023 £	2022 £
Trade debtors	26,330,339	25,322,251
Amounts owed by group undertakings	20,189,129	19,168,839
Other debtors	1,259,984	1,486,239
Prepayments and accrued income	294,490	176,311
Amounts recoverable on long-term contracts	279,657	621,450
Deferred taxation	5,852	-
	<u>48,359,451</u>	<u>46,775,090</u>

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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2023**

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**16. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	<u>8,494,948</u>	<u>317,503</u>

**17. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Payments received on account	9,072,404	6,938,906
Trade creditors	28,564,657	25,203,143
Amounts owed to group undertakings	1,718,559	1,741,199
Corporation tax	326,915	-
Other taxation and social security	519,148	584,646
Other creditors	5,760,978	3,115,598
Accruals and deferred income	546,022	260,093
	<u>46,508,683</u>	<u>37,843,585</u>

**18. Deferred taxation**

	2023 £	2022 £
At beginning of year	12,419	(11,596)
Charged to profit or loss	(18,271)	24,015
At end of year	<u>(5,852)</u>	<u>12,419</u>

The deferred taxation balance is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	26,473	44,532
Other timing differences	(32,325)	(32,113)
	<u>(5,852)</u>	<u>12,419</u>

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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2023**

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**19. Share capital**

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
100 (2022 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

**20. Reserves****Profit and loss account**

The profit and loss account reserve includes all current and prior period retained profits and losses.

**21. Contingent liabilities**

The Company forms part of a cross guarantee securing the bank borrowings of its fellow companies: Briggs & Forrester (UK) Limited, Briggs & Forrester Building Services Maintenance Limited, Briggs & Forrester (Holdings) Limited, Briggs & Forrester Group Limited, Briggs & Forrester Limited, Briggs & Forrester Living Limited and Briggs & Forrester Special Projects Limited. At 31 October 2023 these borrowings amounted to £3,355,625 (2022 - £NIL).

**22. Pension commitments**

The Company participates in the defined contribution pension scheme of its parent company. The assets of the scheme are held separately from those of the Group in an independently administered fund. Pension contributions outstanding at the year end amounted to £124,252 (2022 - £129,683).

**23. Commitments under operating leases**

At 31 October 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

8 February 2024	2023 £	2022 £
Not later than 1 year	706,121	636,100
Later than 1 year and not later than 5 years	923,878	1,054,409
	<u>1,629,999</u>	<u>1,690,509</u>

**24. Related party transactions**

The Company has taken advantage of the provisions under FRS102 s33.1A not to report transactions with fellow group members wholly owned by the ultimate parent undertaking.

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**BRIGGS & FORRESTER ENGINEERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2023**

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**25. Controlling party**

The immediate parent company is Briggs & Forrester Group Limited, a company registered in England and Wales.

The ultimate parent company is Briggs & Forrester (UK) Limited, a company registered in England and Wales.

The consolidated accounts of the immediate and ultimate group are available to the public from the Registrar of Companies.

In the opinion of the Directors, the ultimate controlling party of the parent company is Briggs & Forrester Employee Ownership Trust.