

Registered number: 02546421

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021



BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

COMPANY INFORMATION

Directors M P Stanton (resigned 31 December 2020)
J Copus
P Burton
T J Cunningham
J G Askew (appointed 30 June 2021)

Company secretary J G Askew

Registered number 02546421

Registered office Bembridge House
Bembridge Drive
Kingsthorpe
Northampton
NN2 6LZ

Independent auditor MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditors
Peterbridge House
The Lakes
Northampton
NN4 7HB

Bankers Barclays Bank Plc
1 Snowhill
Snow Hill Queensway
Birmingham
B4 6GN

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

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BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2021

Introduction

The Directors present their Strategic Report and the financial statements for the year ended 31 October 2021.

Business review

The principal activity of the Company provides Building Services solutions across a wide range of sectors within the construction industry from concept design, detailed design, supply, installation, commissioning and setting to work of mechanical, electrical, public health and many other specialist systems. The company works in partnership with a number of repeat clients and end-users including carrying out the role of Principle Contracting on many projects.

Turnover in the year decreased by 26% to £13.0m (2020 - £17.5m) with a profit before tax in the financial year of £0.2m (2020: £0.6m). We performed extremely well and achieved an enviable 70%+ repeat business which is part of our strategy whilst delivering a solid result. This result was achieved despite a significant reduction in turnover, impacted largely from a lack of first half of the year work winning, and cash balances were managed well.

Company net current assets decreased by 6% to £3.4m (2020 - £3.6m) due to £0.3m of dividends paid to the Group and the result of the company profitability being retained on the balance sheet.

The Company cash position was still at a healthy £1.3m (2020 - £1.8m) and is well supported into 2022 by projected volumes, good profitability, and cash management.

The Company forward order book as at 31 October 2021 stands at £11.7m (2020 - £9.3m) with a further £2.0m (2020 - £5.3m) of contracts in the final stages of negotiation. We can see a strong pipeline of opportunities supporting 2022 volumes and future growth with improved relationships reflecting the excellent delivery record of the business.

In respect of Health, Safety and Quality, the Group continues to pursue the highest levels of risk management across our sites and offices providing compliance with the latest standards in all appropriate respects. The Group 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, including by increased utility of offsite fabrication, where appropriate. Our Total HSE Reportable Accident Frequency Rate (AFR) is 0.50 (2020 - 0.25) per 100,000 hours worked. The total number of accidents recorded in the year was 8 (2020 - 7).

The Company continued its commitment to training with a focus on future talent requirements with 8 (2020 - 8) staff employed in both technical, craft trainee and staff positions undergoing further formal education. This, together with additional training and development for more established staff, fully recognises the importance of a highly skilled and experienced work force and we are very proud of our enviable record in respect of staff retention.

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021**

Principal risks and uncertainties

The directors have developed strategies to achieve planned profitable growth and have funding arrangements available should we have a requirement to cover all foreseeable needs. The Group continually introduces new products to meet the exacting and changing needs of its market place. With our procedures and controls, any risks on Cash Flow and Credit Risks are treated as high priority although manageable, given the current uncertainty surrounding the Construction sector.

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 the 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.

Financial risk management objectives and policies**Cash Flow Risk**

Cash flow for the Group is centrally managed with the Group being cash generative, having competent commercial teams with a common 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 major spend or any potential risks.

Credit Risk

To mitigate the effect of the Group 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 credit status of all existing clients. In the event of any perceived financial risk, assurances or third-party or parent company guarantees are sought by the Group. We 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 Group 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 Group has formal Supply Chain arrangements with many of our key supplier and sub-contractor partners with mature relationships gained over a period of more than 16 years.

Competition

The Group continues to operate in an extremely competitive and inflationary market. The Group seeks to maintain and build strong relationships with its customers and potential 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 and delivery workforce.

Health & Safety

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

COVID-19

Projects were continually impacted by the various Covid enforced restrictions or lock down periods imposed by the government, be it national or regional tier restrictions. Project sites maintained social distancing and Covid secure environments and we continued to see construction related project delays across many projects as a result.

The Company used the Government's furlough scheme throughout the financial year as necessary if the workload of individual roles were directly affected by the impact of Covid, although this was at much lower levels

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021**

than the previous year.

Employees

The Group'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 Group offers a very competitive and attractive remuneration package and provides ongoing training with updates and new courses being regularly attended. The Group also has an employee incentive scheme for any new staff introductions to the organisation.

During the year the policy of providing employees with information about the Group has been continued through internal media methods including the newly formed EOT Advisory Panel where employees are encouraged to present new ideas/ suggestions and views on the group's performance. Regular meetings are held between local management and employees to allow free flow of information and ideas. We have continued with our Health Wellbeing initiative which encompasses Mental Health amongst other important subjects.

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

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Group'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.

Employee Ownership Trust

Briggs and Forrester Special Projects Limited along with other companies in the Briggs and Forrester Group is part of the Briggs & Forrester Employee Ownership Trust (EOT) which was established in March 2020 with the existing shareholders having completed the sale of the Group's parent company. The EOT transaction allowed for succession issues to be addressed, whilst achieving a seamless continuation of business activities with the knowledge that the employees will benefit in due course.

The EOT has subsequently set up an Advisory Panel (AP) and established an EOT Growth Share Plan (GSP). The AP is made up of two directors, two employees (from the workforce) and an independent representative with a clear objective to consider entrepreneurial ideas that are presented to the Board of directors for consideration and possible implementation. The Company has a number of employees participating in the GSP formed to incentivise key staff. The Business appreciates that most employee-owned private businesses out-perform other privately owned businesses and we understand the importance of employee engagement at all levels to drive performance with all employees being equal beneficiaries.

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021**

Financial key performance indicators

The directors consider the following Key Performance Indicators (KPI's) when assessing the performance of the Company:

Turnover

Turnover for the year reduced by 26% to £13.0m (2020 - £17.5m).

Profit before interest and tax

Profit before interest and tax for the year was £0.2m (2020 - £0.6m).

Net assets

Net assets at the balance sheet date were £3.4m (2020 - £3.6m).

The reasons for the movements in the KPI's have been considered and included in the Business Review.

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


.....
J G Askew
Secretary

Date:

28/3/22

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2021**

The Directors present their report and the financial statements for the year ended 31 October 2021.

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;
- 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 £173,584 (2020 - £469,410).

Dividends of £335,380 (2020 - £Nil) have been paid in the year.

Directors

The Directors who served during the year were:

M P Stanton (resigned 31 December 2020)
J Copus
P Burton
T J Cunningham
J G Askew (appointed 30 June 2021)

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.

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021**

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Going concern

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

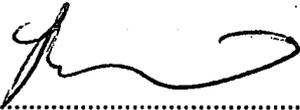
Post balance sheet events

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

Auditor

The auditor, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



.....
J G Askew
Secretary

Date: 28/3/22

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

Opinion

We have audited the financial statements of Briggs & Forrester Special Projects Limited (the 'Company') for the year ended 31 October 2021, 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We 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.

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's 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 5, 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.

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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. The 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. This description forms part of our Auditor's Report.

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Powell BA FCA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Northampton, United Kingdom

Date: 31 March 2022

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Note	2021 £	2020 £
Turnover	4	13,020,442	17,495,968
Cost of sales		(11,034,954)	(14,918,800)
Gross profit		1,985,488	2,577,168
Administrative expenses		(1,954,265)	(2,148,899)
Other operating income	5	144,417	133,815
Operating profit	6	175,640	562,084
Interest receivable and similar income	10	235	5,227
Interest payable and similar expenses	11	(7,505)	(675)
Profit before tax		168,370	566,636
Tax on profit	12	5,214	(97,226)
Profit after tax		173,584	469,410
Retained earnings at the beginning of the year		3,559,303	3,089,893
		3,559,303	3,089,893
Profit for the year		173,584	469,410
Dividends declared and paid	13	(335,380)	-
Retained earnings at the end of the year		3,397,507	3,559,303

The notes on pages 13 to 27 form part of these financial statements.

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED
REGISTERED NUMBER: 02546421

BALANCE SHEET
AS AT 31 OCTOBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	8,982	3,935
Tangible assets	15	18,012	24,804
		<u>26,994</u>	<u>28,739</u>
Current assets			
Debtors: amounts falling due within one year	16	7,713,936	6,962,285
Cash at bank and in hand	17	1,308,273	1,803,266
		<u>9,022,209</u>	<u>8,765,551</u>
Creditors: amounts falling due within one year	18	(5,651,596)	(5,234,887)
Net current assets		<u>3,370,613</u>	<u>3,530,664</u>
Total assets less current liabilities		<u>3,397,607</u>	<u>3,559,403</u>
Net assets		<u>3,397,607</u>	<u>3,559,403</u>
Capital and reserves			
Called up share capital	20	100	100
Profit and loss account	21	3,397,507	3,559,303
		<u>3,397,607</u>	<u>3,559,403</u>

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


.....
P. Burton
Director

Date: 28/3/22

The notes on pages 13 to 27 form part of these financial statements.

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

1. General information

Briggs and Forrester Special Projects Limited is a private company limited by shares, registered in England and Wales, registered number 02546421. 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 2021 and these financial statements may be obtained from Registrar of Companies.

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. Accounting policies (continued)**2.3 Going concern**

The financial statements have been prepared on a going concern basis. The directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has had a significant impact on the Company's operations. Projects were continually impacted by the various Covid enforced restrictions or lock down periods, imposed by the government, be it national or regional tier restrictions. Project sites maintained social distancing and Covid secure environments and we continued to see construction related project delays across many projects as a result. The Company used the Government's furlough scheme throughout the financial year as necessary if the workload of individual roles were directly affected by the impact of Covid, although this was at much lower levels than the previous year. In response to the COVID-19 pandemic, the directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the directors have concluded that there is no material uncertainty and that they can continue 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 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 revenue and total forecast cost 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.

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. Accounting policies (continued)

2.6 Work in progress

1) Small works

Small works are stated at the lower of cost and net realisable value.

2) Short term contracts

"Cost" for short term contracts consist of direct materials, labour and attributable production overheads, less foreseeable losses and applicable payments on account. Contract provisions in excess of amounts recoverable are included in creditors.

3) Long term contracts

"Cost" for long term contracts is determined on the same basis as for short term contracts, except that anticipated profits are recognised where appropriate, in accordance with the principles set out above.

2.7 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.8 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.

Amortisation is provided on the following bases:

Computer software	-	25 % on a straight line basis
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2.9 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.

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

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:

Plant and machinery	- 20% - 25%
Fixtures and fittings	- 10%

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.

2.10 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.

2.11 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.

2.12 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

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. Accounting policies (continued)**2.12 Financial instruments (continued)**

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.

2.13 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.

2.14 Operating leases

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

2.15 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.

2.16 Interest income

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

2.17 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.

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. Accounting policies (continued)**2.18 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.

2.19 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.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

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 contract amendments and certified applications for payment and use this in making their informed assessment of completion and profit recognition.

4. Turnover

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

5. Other operating income

	2021 £	2020 £
Government grants receivable	<u>144,417</u>	<u>133,815</u>

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	9,877	10,110
Amortisation of tangible assets	2,504	2,307
Other operating lease rentals	<u>105,380</u>	<u>120,568</u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>9,250</u>	<u>8,950</u>

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

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

8. Employees

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

	2021 £	2020 £
Wages and salaries	2,802,050	2,987,194
Social security costs	320,573	286,047
Cost of defined contribution scheme	129,394	134,094
	<u>3,252,017</u>	<u>3,407,335</u>

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

	2021 No.	2020 No.
Production staff	24	30
Administration staff	37	37
	<u>61</u>	<u>67</u>

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	240,187	267,106
Company contributions to defined contribution pension schemes	20,201	41,269
	<u>260,388</u>	<u>308,375</u>

During the year retirement benefits were accruing to 1 Director (2020 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £152,004 (2020 - £183,401).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £Nil (2020 - £Nil).

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

10. Interest receivable

	2021 £	2020 £
Other interest receivable	235	5,227

11. Interest payable and similar expenses

	2021 £	2020 £
Loans from group undertakings	-	675
Other interest payable	7,505	-

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	25,675	96,858
Adjustments in respect of previous periods	(28,303)	-
Total current tax	(2,628)	96,858
Deferred tax		
Origination and reversal of timing differences	(2,586)	368
Total deferred tax	(2,586)	368
Taxation on (loss)/profit on ordinary activities	(5,214)	97,226

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

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

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

	2021 £	2020 £
Profit on ordinary activities before tax	<u>168,370</u>	<u>566,636</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	31,990	107,661
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	197	723
Adjustments to tax charge in respect of prior periods	(28,303)	-
Other timing differences leading to an increase (decrease) in taxation	(9,098)	(11,158)
Total tax charge for the year	<u><u>(5,214)</u></u>	<u><u>97,226</u></u>

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 (on 24 May 2021). This means that the 25% main rate of corporation tax and marginal relief will be relevant for any asset sales or timing differences expected to reverse on or after 1 April 2023. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

13. Dividends

	2021 £	2020 £
Dividends paid	<u><u>335,380</u></u>	<u><u>-</u></u>

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

14. Intangible assets

	Computer software £
Cost	
At 1 November 2020	9,227
Additions	7,551
At 31 October 2021	<u>16,778</u>
Amortisation	
At 1 November 2020	5,292
Charge for the year on owned assets	2,504
At 31 October 2021	<u>7,796</u>
Net book value	
At 31 October 2021	<u>8,982</u>
At 31 October 2020	<u>3,935</u>

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

15. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 November 2020	54,361	5,383	59,744
Additions	3,085	-	3,085
Disposals	(17,983)	-	(17,983)
At 31 October 2021	<u>39,463</u>	<u>5,383</u>	<u>44,846</u>
Depreciation			
At 1 November 2020	31,145	3,795	34,940
Charge for the year on owned assets	9,175	702	9,877
Disposals	(17,983)	-	(17,983)
At 31 October 2021	<u>22,337</u>	<u>4,497</u>	<u>26,834</u>
Net book value			
At 31 October 2021	<u>17,126</u>	<u>886</u>	<u>18,012</u>
At 31 October 2020	<u>23,216</u>	<u>1,588</u>	<u>24,804</u>

16. Debtors

	2021 £	2020 £
Trade debtors	3,956,784	2,963,191
Amounts owed by group undertakings	3,633,545	3,739,398
Other debtors	90,381	227,973
Prepayments and accrued income	22,440	23,523
Deferred taxation	10,786	8,200
	<u>7,713,936</u>	<u>6,962,285</u>

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

17. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>1,308,273</u>	<u>1,803,266</u>

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Payments received on account	1,066,387	860,645
Trade creditors	3,722,514	2,294,923
Amounts owed to group undertakings	183,836	700,363
Corporation tax	-	96,863
Other taxation and social security	128,776	185,060
Other creditors	426,096	832,131
Accruals and deferred income	123,987	264,902
	<u>5,651,596</u>	<u>5,234,887</u>

19. Deferred taxation

	2021 £	2020 £
At beginning of year	8,200	8,568
Charged to profit or loss	2,586	(368)
At end of year	<u>10,786</u>	<u>8,200</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	5,618	4,262
Tax losses carried forward	5,168	3,938
	<u>10,786</u>	<u>8,200</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

20. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares shares of £1.00 each	<u>100</u>	<u>100</u>

21. Reserves**Profit and loss account**

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

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 £22,690 (2020 - £23,169).

23. Commitments under operating leases

At 31 October 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	£	£
Not later than 1 year	108,884	97,927
Later than 1 year and not later than 5 years	113,561	143,355
	<u>222,445</u>	<u>241,282</u>

24. Related party transactions

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

BRIGGS & FORRESTER SPECIAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

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.