

**MORGAN SINDALL PROFESSIONAL SERVICES  
(SWITZERLAND) LIMITED**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**



# **MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED**

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# **MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED**

## **COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021**

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<b>Directors</b>	CMW Archer SP Crummett MV Lubieniecki JC Morgan
<b>Company Secretary</b>	C Sheridan
<b>Head Office</b>	One Warwick Technology Park Gallows Hill Warwick CV34 6YL
<b>Registered Office</b>	Kent House 14–17 Market Place London W1W 8AJ
<b>Independent Auditor</b>	Ernst & Young LLP No. 1 Colmore Square Birmingham B4 6HQ

# **MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Principal activities**

The principal activity of Morgan Sindall Professional Services (Switzerland) Limited (the "Company") was of an investment holding company. The Company is a member of the Morgan Sindall Group plc ("the Group") and its activities are included in those of the Group's Construction and Infrastructure division.

### **Business review**

There were no operating activities recognised in the Income Statement during the year other than foreign exchange differences and transfer pricing income and expense. This was in line with our expectations.

### **Financial position and liquidity**

The financial position of the Company is presented in the Balance Sheet. The total shareholder's funds at 31 December 2021 was £2.2m (2020: £2.6m), whilst the Company had net current liabilities of £5.9m (2020: £5.7m) at 31 December 2021.

The Company participates in the Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2021 the Group had cash balances of £358m. The Group also had £180m of committed loan facilities maturing in 2024, which were entirely undrawn as at 31 December 2021.

### **Key performance indicators**

The principal activity of the Company was that of an investment holding company. Continued balance sheet strength is considered a key performance indicator for the Company.

### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to the market and economic environment. Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided in the strategic report in the Group's annual report, which does not form part of this report.

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

The Company's operations expose it to a variety of financial risks that include currency risk and liquidity risk.

#### *Currency risk*

In respect of currency risk the Company has a CHF denominated loan with a subsidiary company. The currency fluctuations on this loan are reflected in the Income Statement of the Company and in equity on consolidation as part of the Group.

#### *Liquidity risk*

This is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company aims to manage liquidity by ensuring that it will always have sufficient resources to meet its liabilities when they fall due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity is provided through cash balances and access to the Group's committed bank loan facilities.

# **MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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### *Interest rate risk*

In respect of interest rate risk, the Company has interest-bearing assets and liabilities, being loans to and from other Group entities. On these loans, the interest charged is based on UK and Swiss base rates.

**Approved by and on behalf of the Board**



**C Archer  
Director**

15 June 2022

# **MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their annual report and the audited financial statements for the year ended 31 December 2021. The annual report comprises the strategic report and directors' report, which together provide the information required by the Companies Act 2006. The financial statements have been prepared under United Kingdom Accounting Standards.

### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position as well as the financial position of the Company, its cash flows, liquidity position and the borrowing facilities, are described in the Strategic Report on pages 2 to 3.

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence during the going concern period, which the directors have defined as the date of approval of the 31 December 2021 financial statements through to 15 June 2023.

The Company participates in the Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2021 the Group had net cash balances of £358m. The Group also had £180m of committed loan facilities maturing (£15m maturing in March 2024 and £165m maturing in October 2024), which were entirely undrawn as at 31 December 2021.

The directors, having assessed the responses of the directors of the Group to their enquiries and having received confirmation of its continued support, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements

Based on the above, the directors have a reasonable expectation that the Company together with Group's support have adequate resources to continue in operational existence during the going concern period. For this reason, they continue to adopt the going concern basis in the preparation of these financial statements. Further details can be found in the principal accounting policies in the financial statements.

### **Directors**

The directors who served during the year and to the date of this report are shown on page 1. None of the directors had any interest in the shares of the Company during the year ended 31 December 2021.

### **Directors' indemnities**

The Company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Furthermore, the Group maintains liability insurance for its directors and officers and those of its directors and officers of its associated companies. The Group has also indemnified certain directors of its Group companies to the extent permitted by law against any liability incurred in relation to acts or omissions arising in the ordinary course of their duties.

The Company has not made qualifying third party indemnity provisions for the benefit of its directors during the year.

### **Dividends**

The directors do not recommend the payment of a final dividend (2020: £nil).

# **MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Post balance sheet events**

There were no post balance sheet events that affected the financial statements of the Company. There has been no immediate or direct impact to the Company as a result of the Ukraine / Russia conflict.

### **Political contributions**

The Company made no political contributions during the year (2020: none).

### **Independent auditor and disclosure of information to the independent auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Following an audit tender conducted during 2020, Ernst & Young LLP were selected as auditor for Morgan Sindall Group plc and its subsidiaries. Accordingly, Ernst & Young LLP were appointed to replace Deloitte LLP as the Company's auditor for the year ended 31 December 2021. Ernst & Young LLP have expressed their willingness to continue in office as auditor and pursuant to Section 487 of the Companies Act 2006, Ernst & Young LLP is deemed to be reappointed as auditor.

### **Directors' responsibilities statement**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The directors confirm that they have complied with the above requirements in preparing the financial statements. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law) including FRS 101. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to

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

# **MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with 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. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Approved for and on behalf of the Board**



**C Archer**

**Director**

15 June 2022



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN SINDALL  
PROFESSIONAL SERVICES (SWITZERLAND) LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Opinion**

We have audited the financial statements of Morgan Sindall Professional Services (Switzerland) Limited for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 15, 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 FRS 101 "Reduced Disclosure Framework" (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 December 2021 and of its loss 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 UK, including the FRC'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 Company's ability to continue as a going concern for a period from when the financial statements are authorised for issue through until 15 June 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN SINDALL  
PROFESSIONAL SERVICES (SWITZERLAND) LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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.

**Opinions 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 any material misstatements in the strategic report or 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN SINDALL  
PROFESSIONAL SERVICES (SWITZERLAND) LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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.

**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.

***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and compliance with the relevant direct tax regulation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing minutes of the board meetings and the financial statements.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We considered the processes and controls that the Company had established to address identified risks, or that otherwise prevent or detect fraud; and how management monitors those processes and controls. Due to the nature of the Company and its limited level of transaction activities, we have not identified any risk of material misstatement due to fraud.
- Based on this understanding, we designed our audit procedures to identify non-compliance

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN SINDALL  
PROFESSIONAL SERVICES (SWITZERLAND) LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2021**

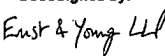
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with such laws and regulations. Our procedures involved understanding management's internal controls over compliance with laws and regulations, enquiries of management, vouching transactions to source documentation and verifying that they are recorded in compliance with FRS 101 and in conformity with the requirements of the Companies Act 2006.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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

DocuSigned by:  
  
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**Adrian Roberts (Senior statutory auditor)**

For and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham, United Kingdom

15 June 2022

# MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£000	£000
Other administrative expenses		(172)	358
<b>Operating (loss) / profit</b>	<b>2</b>	<b>(172)</b>	<b>358</b>
Interest receivable	4	58	59
Interest payable	4	(170)	(154)
<b>(Loss) / Profit before tax</b>	<b>1</b>	<b>(284)</b>	<b>263</b>
Tax	5	68	59
<b>(Loss) / Profit for the financial year attributable to owners of the Company</b>	<b>13</b>	<b>(352)</b>	<b>322</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>			
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<b>(352)</b>	<b>322</b>

### Continuing operations

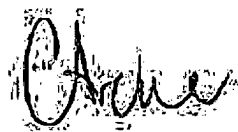
The results for the current and previous financial years all derive from continuing operations.

# MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	2021 £000	2020 £000
<b>Non-current assets</b>			
Investments in subsidiaries	6	2,282	2,282
Net Investment in Foreign Operation	7	5,769	5,941
		<b>8,051</b>	<b>8,223</b>
<b>Current assets</b>			
Trade and other receivables	8	46	99
Current tax assets		-	50
		<b>46</b>	<b>149</b>
<b>Total assets</b>		<b>8,097</b>	<b>8,372</b>
<b>Current liabilities</b>			
Trade and other payables	9	(5,816)	(5,816)
Current tax liabilities		(77)	-
		<b>(5,893)</b>	<b>(5,816)</b>
<b>Net current liabilities</b>		<b>(5,847)</b>	<b>(5,667)</b>
<b>Total liabilities</b>		<b>(5,893)</b>	<b>(5,816)</b>
<b>Net assets</b>		<b>2,204</b>	<b>2,556</b>
<b>Capital and reserves</b>			
Share capital	10	-	-
Share premium	11	1,684	1,684
Foreign currency translation reserve	12	730	730
Retained earnings	13	(210)	142
<b>Total shareholder's funds</b>		<b>2,204</b>	<b>2,556</b>

The financial statements of Morgan Sindall Professional Services (Switzerland) Limited (company number 06325415) were approved by the Board and authorised for issue on 15 June 2022. They were signed on its behalf by:



..... C Archer, Director

# MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital (Note 10)	Share premium (Note 11)	Foreign Currency Translation Reserve (Note 12)	Retained earnings (Note 13)	Total
	£000	£000	£000	£000	£000
<b>At 1 January 2020</b>	-	1,684	730	(180)	2,234
Total comprehensive income	-	-	-	322	322
<b>At 1 January 2021</b>	-	1,684	730	142	2,556
Total comprehensive expense	-	-	-	(352)	(352)
<b>At 31 December 2021</b>	-	1,684	730	(210)	2,204

# **MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **General information**

Morgan Sindall Professional Services (Switzerland) Limited (the 'Company') is a private company limited by shares, incorporated and domiciled in the UK under the Companies Act 2006 and registered in England and Wales. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 2 to 3. The address of the registered office is given on page 1.

### **Basis of accounting**

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the Company has prepared its financial statements in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council and the requirements of the Companies Act 2016.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, presentation of standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the consolidated accounts of Morgan Sindall Group plc, which are available to the public at [www.morgansindall.com](http://www.morgansindall.com).

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

These financial statements are presented in pounds sterling which is the Company's presentational and functional currency.

The directors consider that the ultimate parent undertaking and ultimate controlling party of this Company is Morgan Sindall Group plc, which is registered in England and Wales. It is the only group into which the results of the Company are consolidated. Copies of the consolidated financial statements of Morgan Sindall Group plc are publicly available from [www.morgansindall.com](http://www.morgansindall.com) or from its registered office Kent House, 14-17 Market Place, London W1W 8AJ.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the preparation of consolidated financial statements because it is included in the Group accounts of Morgan Sindall Group plc. These financial statements are separate financial statements and present information about the Company as an individual undertaking and not of the Group.

### **Adoption of new and revised standards**

#### **New and revised accounting standards adopted by the Company**

During the year, the Company has adopted the following new and revised standards and interpretations. Their adoption has not had any significant impact on the accounts or disclosures in these financial statements.

- Interest Rate Benchmark Reform – Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments – recognition and measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases'
- Amendments to IFRS 16 'Covid-19 Related Rent Concessions'



# **MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021**

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**(ii) New and revised accounting standards and interpretations which were in issue but were not yet effective and have not been adopted early**

At the date of the financial statements, the Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- IFRS 17 'Insurance Contracts'
- Amendments to IAS 1 'Classification of Liabilities as Current or Non-current'
- Amendments to IFRS 3 'Reference to the Conceptual Framework'
- Amendments to IAS 16 'Property, Plant and Equipment – Proceeds before Intended Use'
- Amendments to IAS 37 'Onerous Contracts – Cost of Fulfilling as Contract'
- Annual Improvements to IFRS Standards 2018-2020 Cycle
- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgements – Disclosure of Accounting Policies'
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates'
- Amendments to IAS 12 'Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction'

The Company is currently assessing the impact of the standards but do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

The accounting policies as set out below have been applied consistently to all periods presented in these consolidated financial statements.

### **Going concern**

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic Report. The Company is expected to continue to trade profitably during the going concern period, which the directors have defined as the date of approval of the 31 December 2021 financial statements through to 15 June 2023. The Company participates in the Group's centralised treasury arrangements and shares banking arrangements, including the provision of cross guarantees, with its ultimate parent Morgan Sindall Group plc and fellow subsidiaries.

The directors, having assessed the responses of the directors of the Group to their enquiries and having received confirmation of its continued support, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of the Group, the Company's directors have a reasonable expectation that the Company together with Group's support will be able to continue in operational existence during the going concern period. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# **MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Investments in subsidiaries**

Investments held as fixed assets are stated at cost less provision for impairment.

### **Net Investment in foreign operation**

The Company has recognised an intercompany loan as a net investment in a foreign operation as per IAS 21: The Effects of Changes in Foreign Exchange Rates, whereby settlement is neither planned nor likely to occur in the foreseeable future therefore the substance of the asset is in effect a part of the Company's net investment in the foreign operation.

Any foreign currency gain or loss arising on restatement of the net investment to the balance sheet date spot rate is recognised in the Income Statement of the Company's individual financial statements.

### **Income tax**

The income tax expense represents the current and deferred tax charges. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity.

Current tax is the Company's expected tax liability on taxable profit for the year using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Taxable profit differs from that reported in the statement of comprehensive income because it is adjusted for items of income or expense that are assessable or deductible in other years and is adjusted for items that are never assessable or deductible.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding tax bases used in tax computations. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profits, or differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is recognised on temporary differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at the tax rates expected to apply when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted and are only offset where this is a legally enforceable right to offset current tax assets and liabilities.

### **Foreign currency translation**

Items included in the financial statements of the Company are measured using the functional currency which is the primary economic environment in which the entity operates. The Company presents its financial statements in Pound sterling.

Foreign currency transactions are recorded in the functional currency for the Company using the exchange rates prevailing at the dates of the transactions or at the average rate for the period when this is a reasonable approximation.

# **MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021**

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Monetary assets and liabilities denominated in foreign currencies are translated at period end exchange rates. The resulting exchange differences on translation are recorded in the income statement. Non-monetary assets and liabilities that are measured at historical cost denominated in a foreign currency are not retranslated. Expenses are translated at the average rate of exchange for the period.

### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements requires the Company's management to make judgements, assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **(a) Critical judgements in applying the Company's accounting policies**

The assessment of whether any impairment of investments held is required requires an estimation of the value in use of the investment held. The value in use calculation requires an estimate of the future cash flows expected from these CGUs, including the anticipated growth rate of revenue and costs as well as resulting operating margin and requires the determination of a suitable discount rate to calculate the present value of the cash flows.

The Company did not have any other critical judgements or key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **(b) Key sources of estimation uncertainty**

The Company does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 1. Analysis of profit before taxation

All profit before taxation relates to the Company's principal activity carried out in the UK.

### 2. Operating profit

	2021	2020
	£000	£000
<b>Operating profit is stated after charging:</b>		
Foreign exchange loss / (gain)	172	(358)

Fees payable to the Company's auditor for the audit of the Company's annual financial statements were paid for by the Company's parent company and not recharged to the Company.

Non-audit fees payable by the Company during the year were £nil (2020: £nil) relating to other services.

### 3. Staff costs

There were no staff costs for the year ended 31 December 2021 or for the year ended 31 December 2020. Staff working for the Company are employed and remunerated by another Group company. None of the directors receive any emoluments (2020: nil) in their capacity as directors of the Company. These individuals are remunerated by another company in the Group.

### 4. Net interest receivable / (payable)

	2021	2020
	£000	£000
Transfer pricing income	58	59
<b>Interest receivable</b>	<b>58</b>	<b>59</b>
Transfer pricing expense	(170)	(154)
<b>Interest payable</b>	<b>(170)</b>	<b>(154)</b>

# MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 5. Tax

	2021 £000	2020 £000
UK corporation tax charge on profit for the year	-	(18)
Adjustment in respect of previous years	(68)	(41)
<b>Total current tax</b>	<b>(68)</b>	<b>(59)</b>
<b>Total deferred tax</b>	<b>-</b>	<b>-</b>
<b>Total tax expense</b>	<b>(68)</b>	<b>(59)</b>

Corporation tax is calculated at 19.0% (2020 19.0%) of the estimable taxable profit for the year. The actual tax charge for the current and preceding year differs from the standard rate for the reasons set out in the following reconciliation:

	2021 £000	2020 £000 (As restated)
(Loss) / Profit before tax	(284)	263
Tax on (loss) / profit at corporation tax rate	(54)	(50)
<i>Factors affecting the charge for the year:</i>		
Adjustments to tax charge in respect of previous years	(68)	(41)
Other tax differences	54	32
<b>Total tax expense</b>	<b>(68)</b>	<b>(59)</b>

During 2021 it was announced that the UK statutory tax rate will increase from 19% to 25% from 1 April 2023. Consequently the applicable tax rate for the Group (taking into account its December year end) is expected to be 19% in 2021 and 2022, 23.5% in 2023, and 25% in 2024 (and beyond). Deferred taxes at the balance sheet date are measured at the enacted rates that are expected to apply to the unwind of each asset or liability. Accordingly deferred tax balances as at 31 December 2021 have been calculated at a mix of 19%, 23.5% and 25%. Deferred tax balances as at 31 December 2020 were calculated at 19%.

During 2020 it was announced that a previously announced reduction in the UK statutory tax rate from 19% to 17% would not occur. Deferred tax balances as at 31 December 2019 were calculated at 17%, and deferred tax balances as at 31 December 2020 were calculated at 19%.

During the year the company noted an error in relation to the disclosures within the 2020 tax reconciliation note whereby the disclosed profit before tax amount was incorrect. The financial statements of 2021 have been restated to correct this error by way of a prior year adjustment, resulting in a change in the prior year amounts disclosed within this note for profit before tax from £95,000 to £263,000, tax on profit at corporation tax rate from (£18,000) to (£50,000) and other tax differences from £nil to £32,000. There is no impact of the prior year adjustment on the amount previously recognised in the Statement of Comprehensive Income.

# MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 6. Investments in subsidiaries

	Subsidiaries £000
<b>Cost and net book value</b>	
At 1 January 2021	2,282
<b>At 31 December 2021</b>	<b>2,282</b>

The details of the Company's subsidiaries are shown below. The country of incorporation and principal place of business is the UK and the address of the registered office of each entity is the same as the registered office of this Company unless otherwise indicated.

Name of company	Principal activity	Proportion of ordinary shares held
BakerHicks AG *	Design & construction management services	100%
BakerHicks GmbH **	Design & construction management services	100%
BakerHicks GmbH ***	Design & construction management services	100%

\* Country of incorporation is Switzerland and registered office is Badenstrasse 3, CH-4057 Basel, Switzerland

\*\* Country of incorporation is Germany and registered office is Albert-Nestler-Strasse 26, 76131 Karlsruhe, Germany

\*\* Country of incorporation is Austria and registered office is Am Euro Platz 3, 1120 Wien, Austria

### 7. Net investment in foreign operation

	2021 £000	2020 £000
Balance as at 1 January	5,941	5,583
Foreign exchange (loss) / gain	(172)	358
<b>Balance as at 31 December</b>	<b>5,769</b>	<b>5,941</b>

In accordance with the accounting policy set out on page 16 the Company has recognised an intercompany loan from BakerHicks AG as a net investment in a foreign operation.

# MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 8. Trade and other receivables

	2021	2020
	£000	£000
Amounts falling due within one year		
Amounts owed by Group undertakings	46	99
	46	99

Amounts owed by Group undertakings are payable on demand and are not interest bearing.

### 9. Trade and other payables

	2021	2020
	£000	£000
Amounts falling due within one year		
Amounts owed to Group undertakings	5,816	5,816
	5,816	5,816

Amounts owed by Group undertakings are payable on demand and are not interest bearing.

### 10. Share capital

	2021	2020
Issued, authorised and fully paid		
3 ordinary shares of £1 each	3	3

The Company has one class of ordinary share which carries no rights to fixed income.

### 11. Share premium

	2021	2020
	£000	£000
Share premium on shares	1,684	1,684

### 12. Foreign currency translation reserve

	2021	2020
	£000	£000
Balance as at 1 January	730	730
Balance as at 31 December	730	730

### 13. Retained earnings

	2021	2020
	£000	£000
Balance as at 1 January	142	(180)
(Loss) / Profit for the year	(352)	322
Balance as at 31 December	(210)	142

# **MORGAN SINDALL PROFESSIONAL SERVICES (SWITZERLAND) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **14. Related party transactions**

In the ordinary course of business, the Company has traded with its parent company Morgan Sindall Group plc together with its subsidiaries. Advantage has been taken of the exemption permitted by FRS 101 not to disclose transactions with entities that are wholly owned by the Group. Balances with these entities are disclosed in notes 8 and 9 of these financial statements.

### **15. Subsequent events**

There were no subsequent events that affected the financial statements of the Company. There has been no immediate or direct impact to the Company as a result of the Ukraine / Russia conflict.