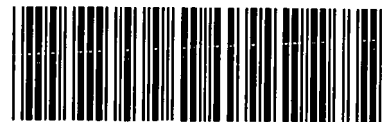


BAKER HICKS EUROPE HOLDINGS LIMITED
(formerly Morgan Sindall Professional Services (Switzerland) Limited)

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

FRIDAY



AC1GQXZM

A11

14/04/2023

#155

COMPANIES HOUSE

BAKER HICKS EUROPE HOLDINGS LIMITED
(formerly Morgan Sindall Professional Services (Switzerland) Limited)

CONTENTS OF THE FINANCIAL STATEMENTS

	Page
Company Information	1
Strategic Report	2 - 3
Directors' Report	4 - 7
Independent Auditor's Report	8 - 11
Statement of Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	14
Principal Accounting Policies	15 - 18
Notes to the Financial Statements	19 - 22

BAKER HICKS EUROPE HOLDINGS LIMITED
(formerly Morgan Sindall Professional Services (Switzerland) Limited)

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

Directors	CMW Archer SP Crummett (resigned 14 November 2022) EF King (appointed 14 November 2022) MV Lubieniecki JC Morgan (resigned 14 November 2022)
Company Secretary	C Sheridan
Head Office	One Warwick Technology Park Gallows Hill Warwick CV34 6YL
Registered Office	Kent House 14–17 Market Place London W1W 8AJ
Independent Auditor	Ernst & Young LLP Statutory Auditor One Colmore Square Birmingham B4 6HQ

BAKER HICKS EUROPE HOLDINGS LIMITED

(formerly Morgan Sindall Professional Services (Switzerland) Limited)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Principal activities

The principal activity of Baker Hicks Europe Holdings 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

On 1st December 2022 the company changed its name from Morgan Sindall Professional Services (Switzerland) Limited to Baker Hicks Europe Holdings Limited.

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 2022 were £2.8m (2021: £2.2m). The Company had net current liabilities of £5.9m (2021: £5.9m).

The Company participates in the Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2022 the Group had net cash balances of £355m. The Group also had £15m of committed loan facilities maturing in 2024 and £165m of committed loan facilities maturing in 2025, which were entirely undrawn as at 31 December 2022.

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. To date there remains no direct impact from the ongoing Ukraine / Russia conflict.

Further discussion of 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, liquidity risk and interest rate 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.

BAKER HICKS EUROPE HOLDINGS LIMITED
(formerly Morgan Sindall Professional Services (Switzerland) Limited)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022


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.

Interest rate risk

In respect of interest rate risk, the Company has interest bearing assets and liabilities. Interest bearing assets and/or liabilities include cash balances and overdrafts, all of which have interest rates applied at floating market rates.

Approved by and on behalf of the Board



C Archer
Director

11 April 2023

BAKER HICKS EUROPE HOLDINGS LIMITED

(formerly Morgan Sindall Professional Services (Switzerland) Limited)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and the audited financial statements for the year ended 31 December 2022. 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 2022 financial statements through to 11 April 2024.

The Company participates in the Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2022 the Group had net cash balances of £355m. The Group also had committed loan facilities of £15m maturing in March 2024 and £165m maturing in October 2025, which were entirely undrawn as at 31 December 2022. 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 and the Group of which it is part have adequate resources to continue in operational existence to the end of the going concern period, which is 11 April 2024. Thus they continue to adopt the going concern basis in preparing the 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 2022.

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 (2021: £nil).

BAKER HICKS EUROPE HOLDINGS LIMITED

(formerly Morgan Sindall Professional Services (Switzerland) Limited)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Post balance sheet events

There were no post balance sheet events that affected the financial statements of the Company.

Political contributions

The Company made no political contributions during the year (2021: none).

Environmental performance

The Group continues to maintain its sector leadership status in addressing climate change. For the third year in a row, the Group achieved a grade 'A' score for its leadership on climate change from CDP and since 2010, all the Group's (including the Company's) emissions have been independently verified.

In early 2021, the Group set its goal of achieving 'net zero' in its Scope 1¹, Scope 2² and operational Scope 3³ emissions by 2030. The Group's route to operational net zero is through reducing such emissions by 60% (based on its 2019 emissions) and offsetting its residual emissions by investing in UK-based projects. In 2022, the Group achieved a reduction of 4% in its Scope 1¹, Scope 2² and operational Scope 3³ emissions compared to 2021, resulting in a total 40% reduction compared to its 2019 baseline. Based on its current trajectory, the Group is on track to achieve its targeted reductions by 2030.

Considerable progress has been made by the Group with its responsible offsetting projects. These include its investment in a 25-year project to create nine new woodlands on the Blenheim Estate in Oxfordshire. As well as providing measurable, demonstrable gains in terms of absorbing and storing carbon, increasing biodiversity and improving soil, air and water quality, the woodlands will provide wellbeing benefits for people visiting the area.

In addition, since the year end, the Group announced its participation in two other responsible offsetting projects: a peatland restoration programme to restore over 300 hectares of blanket bog in the Northern Pennines AONB and the Yorkshire Dales National Park; and the acquisition of 54 hectares of land to support the RSPB in unlocking and restoring additional land next to their existing Lakenheath Fen reserve in Norfolk. In addition to preventing further carbon loss from the degraded soils and storing future carbon, both projects will enable endangered species to recover, support a range of wildlife and provide people with vibrant places to visit.

The Group has set science-based targets for reducing carbon emissions and was one of the first construction companies globally to have its science-based emission targets officially accredited back in 2018. In 2022, the Group realigned its targets to a 1.5°C scenario and submitted them to the Science Based Targets Initiative for revalidation. As part of this, the Group has now extended its net zero target to include the full total of its Scope 3⁴ emissions (i.e. not just operational Scope 3) by 2045. This target is consistent with progress made to date and with the 2030 net zero target, which includes only operational Scope 3³ emissions.

Where possible, the Group integrates biodiversity into design decisions and measures the biodiversity net gain⁵ associated with projects. The Group also supports a circular economy by reducing waste, recycling, and reusing waste where appropriate. In 2022, 96% of the Group's waste was diverted from landfill and total waste reduced by 57%.

Further details of the Group's environmental performance and a copy of the Task Force on Climate-related Financial Disclosure (TCFD) report please see the Morgan Sindall Group plc 2022 Annual

BAKER HICKS EUROPE HOLDINGS LIMITED

(formerly Morgan Sindall Professional Services (Switzerland) Limited)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Report www.morgansindall.com

¹ Scope 1 emissions are direct emissions from owned or controlled sources.

² Scope 2 emissions are indirect emissions generated from purchased energy.

³ Operational Scope 3 emissions are all indirect emissions not included in Scope 2 that occur in limited categories of our value chain as measured by the Toitu carbon reduce scheme.

⁴ Scope 3 emissions are all emissions arising from the whole value chain from supply chain and end-users of buildings. Total emissions include carbon embodied in the materials (emitted during raw extraction, manufacture, transport to site, and disposal or recycling; carbon emitted during construction via energy use and waste; and estimated carbon emitted from operating the buildings for 60 years following handover to the client.

⁵ Biodiversity net gain is an approach to development, and/or land management, that aims to leave the natural environment in a measurably better state than it was beforehand.

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.

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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance;
- 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.

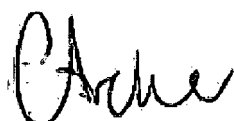
BAKER HICKS EUROPE HOLDINGS LIMITED
(formerly Morgan Sindall Professional Services (Switzerland) Limited)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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. Under applicable law and regulations, the directors are also responsible for preparing a strategic report, and directors' report that comply with that law and those regulations.

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
11 April 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAKER HICKS EUROPE HOLDINGS LIMITED (formerly Morgan Sindall Professional Services (Switzerland) Limited)

Opinion

We have audited the financial statements of Baker Hicks Europe Holdings Limited for the year ended 31 December 2022 which comprise the Statement of comprehensive income, the Balance Sheet, and 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 company's affairs as at 31 December 2022 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 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 the company's ability to continue as a going concern for a period from when the financial statements are authorised for issue through until 11 April 2024.

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 company's ability to continue as a going concern.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAKER HICKS EUROPE HOLDINGS LIMITED (formerly Morgan Sindall Professional Services (Switzerland) Limited)

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 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 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 9, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAKER HICKS EUROPE HOLDINGS LIMITED (formerly Morgan Sindall Professional Services (Switzerland) Limited)

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 Baker Hicks Europe Holdings Limited 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 focussed our assessment in respect of the risk of material fraud in testing manual journal entries.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing with a focus on journals indicating unusual transactions based on our understanding of the business, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAKER
HICKS EUROPE HOLDINGS LIMITED
(formerly Morgan Sindall Professional Services (Switzerland) Limited)**

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.

Ernst & Young LLP

Adrian Roberts (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham, United Kingdom
11 April 2023

BAKER HICKS EUROPE HOLDINGS LIMITED
(formerly Morgan Sindall Professional Services (Switzerland) Limited)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £000	2021 £000
Other administrative expenses		628	(172)
Operating profit / (loss)	2	628	(172)
Interest receivable	4	118	58
Interest payable	4	(174)	(170)
Profit / (loss) before tax		572	(284)
Tax	5	65	(68)
Profit / (loss) for the financial year attributable to owners of the Company	13	637	(352)
Items that may be reclassified subsequently to profit or loss:			
Other comprehensive income		-	-
Total comprehensive income / (expense) for the year attributable to owners of the Company		637	(352)

Continuing operations

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

BAKER HICKS EUROPE HOLDINGS LIMITED
(formerly Morgan Sindall Professional Services (Switzerland) Limited)

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Notes	2022 £000	2021 £000
Non-current assets			
Investments in subsidiaries	6	2,342	2,282
Net Investment in Foreign Operation	7	6,397	5,769
		8,739	8,051
Current assets			
Trade and other receivables	8	-	46
Current tax assets		55	-
		55	46
Total assets		8,794	8,097
Current liabilities			
Trade and other payables	9	(5,953)	(5,816)
Current tax liabilities		-	(77)
		(5,953)	(5,893)
Net current liabilities		(5,898)	(5,847)
Total liabilities		(5,953)	(5,893)
Net assets		2,841	2,204
Capital and reserves			
Share capital	10	-	-
Share premium	11	1,684	1,684
Foreign currency translation reserve	12	730	730
Retained earnings	13	427	(210)
Total shareholder's funds		2,841	2,204

The financial statements of Baker Hicks Europe Holdings Limited (company number 06325415) were approved by the Board and authorised for issue on 11 April 2023. They were signed on its behalf by:



..... C Archer, Director

BAKER HICKS EUROPE HOLDINGS LIMITED
(formerly Morgan Sindall Professional Services (Switzerland) Limited)

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Share capital (Note 10)	Share premium (Note 11)	Foreign currency translation reserve (Note 12)	Retained earnings (Note 13)	Total
	£000	£000	£000	£000	£000
At 1 January 2021	-	1,684	730	142	2,556
Total comprehensive expense	-	-	-	(352)	(352)
At 1 January 2022	-	1,684	730	(210)	2,204
Total comprehensive income	-	-	-	637	637
At 31 December 2022	-	1,684	730	427	2,841

BAKER HICKS EUROPE HOLDINGS LIMITED

(formerly Morgan Sindall Professional Services (Switzerland) Limited)

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2022

General information

Baker Hicks Europe Holdings Limited ('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.

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.

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. All financial information, unless otherwise stated, has been rounded to the nearest £1,000.

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 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.

- 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 a Contract'
- Annual Improvements to IFRS Accounting Standards 2018-2020 cycle

BAKER HICKS EUROPE HOLDINGS LIMITED

(formerly Morgan Sindall Professional Services (Switzerland) Limited)

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

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'
- IFRS 10 and IAS 28 (amendments) 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'
- Amendments to IAS 1 'Classification of Liabilities as Current or Non-current'
- 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, 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 2022 financial statements through to 11 April 2024.

The Company participates in the Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2022 the Group had net cash balances of £355m. The Group also had committed loan facilities of £15m maturing in March 2024 and £165m maturing in October 2025, which were entirely undrawn as at 31 December 2022. 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 has adequate resources to continue in operational existence to the end of the going concern period. Thus they continue to adopt the going concern basis in preparing the financial statements.

BAKER HICKS EUROPE HOLDINGS LIMITED

(formerly Morgan Sindall Professional Services (Switzerland) Limited)

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

BAKER HICKS EUROPE HOLDINGS LIMITED

(formerly Morgan Sindall Professional Services (Switzerland) Limited)

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2022

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 Group's accounting policies

The following are the critical judgements and estimates that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

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.

BAKER HICKS EUROPE HOLDINGS LIMITED
(formerly Morgan Sindall Professional Services (Switzerland) Limited)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. Analysis of profit / (loss) before taxation

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

2. Operating profit / (loss)

	2022	2021
	£000	£000
Operating profit / (loss) is stated after charging:		
Foreign exchange gain/ (loss)	628	(172)

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.

There were no non-audit fees payable by the Company during the year were £nil (2021: £nil).

3. Staff costs

There were no staff costs for the year ended 31 December 2022 or for the year ended 31 December 2021. Staff working for the Company are employed and remunerated by another Group company. None of the directors receive any emoluments (2021: nil) in their capacity as directors of the Company. These individuals are remunerated by another company in the Group.

4. Net interest receivable / (payable)

	2022	2021
	£000	£000
Transfer pricing income	118	58
Interest receivable	118	58
Transfer pricing expense	(174)	(170)
Interest payable	(174)	(170)

BAKER HICKS EUROPE HOLDINGS LIMITED
(formerly Morgan Sindall Professional Services (Switzerland) Limited)

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

5. Tax

	2022	2021
	£000	£000
UK corporation tax charge on profit for the year	11	-
Adjustment in respect of previous years	54	(68)
Total current tax	65	(68)
Total deferred tax	-	-
Total tax credit / (expense)	65	(68)

Corporation tax is calculated at 19.0% (2021: 19.0%) of the 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:

	2022	2021
	£000	£000
Profit / (loss) before tax	572	(284)
Tax on profit / (loss) at corporation tax rate	109	(54)
<i>Factors affecting the charge for the year:</i>		
Non-taxable income and expenses		
Adjustments to tax charge in respect of previous years	(54)	(68)
Other tax differences	10	54
Total tax charge / (credit)	65	(68)

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 19% in 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.

6. Investments in subsidiaries

	£000
Cost and net book value	
At 1 January 2022	2,282
Additions	60
At 31 December 2022	2,342

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.

BAKER HICKS EUROPE HOLDINGS LIMITED
(formerly Morgan Sindall Professional Services (Switzerland) Limited)

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

<u>Name of company</u>	<u>Registered office</u>	<u>Principal activity</u>	<u>Proportion of ordinary shares held</u>
BakerHicks AG	Badenstrasse 3, CH-4057 Basel, Switzerland	Design & construction management services	100%
BakerHicks GmbH	Albert-Nestler-Strasse 26, 76131 Karlsruhe, Germany	Design & construction management services	100%
BakerHicks GmbH	Am Euro Platz 3, 1120 Wien, Austria	Design & construction management services	100%
BakerHicks ApS	Advokatpartnerselskab, Langelinie Alle 35, 2100 Kobenhavn O, 2880 Bagsvaerd, Denmark	Design & construction management services	100%
BakerHicks SA	Boulevard Louis Schmidt 29 15 1040 Etterbeek, Belgium	Design & construction management services	100%

7. Net investment in foreign operation

	2022	2021
	£000	£000
Balance as at 1 January	5,769	5,941
Foreign exchange gain / (loss)	628	(172)
Balance at 31 December	6,397	5,769

8. Trade and other receivables

	2022	2021
	£000	£000
Amounts falling due within one year		
Amounts owed by Group undertakings	-	46
	-	46

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

BAKER HICKS EUROPE HOLDINGS LIMITED
(formerly Morgan Sindall Professional Services (Switzerland) Limited)

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

9. Trade and other payables

	2022	2021
	£000	£000
Amounts falling due within one year		
Amounts owed to Group undertakings	5,953	5,816
	5,953	5,816

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

10. Share capital

	2022	2021
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

	2022	2021
	£000	£000
Balance at 31 December	1,684	1,684

12. Foreign currency translation reserve

	2022	2021
	£000	£000
Balance at 31 December	730	730

13. Retained earnings

	2022	2021
	£000	£000
Balance as at 1 January	(210)	142
Profit / (loss) for the year	637	(352)
Balance as at 31 December	427	(210)

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.