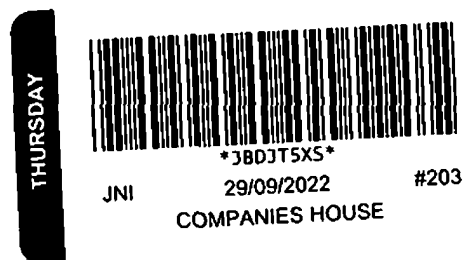


Integral UK Limited

Annual report and financial statements

Registered number 05307588

Year ended 31 December 2021



Contents

Directors and advisors	1
Strategic Report	2
Directors' Report	10
Statement of directors' responsibilities in respect of the Strategic Report and the Directors' Report and the financial statements	12
Independent auditor's report to the members of Integral UK Limited	13
Profit and Loss Account	17
Balance Sheet	18
Statement of Changes in Equity	19
Notes	20

Directors and advisors

Directors

N Birkinshaw

I Bell (appointed 15 December 2021)

P Jones (appointed 13 June 2022)

Y Kapila (resigned 15 December 2021)

A Osborn (resigned 15 December 2021)

M Caskey (appointed 15 December 2021, resigned 13 June 2022)

A Moffatt (appointed 15 December 2021, resigned 13 June 2022)

Company Secretary

R Webster

Registered Office

30 Warwick Street

London

W1B 5NH

Statutory Auditor

Grant Thornton

13-18 City Quay

Dublin 2

D02 ED70

Ireland

Bankers

Lloyds TSB

Canons House

Canons Way

Bristol

BS99 7LB

National Westminster Bank

1 Waterhouse Street

Halifax

HX1 1JA

Strategic Report

Finance Director's Review of Integral 2021

Executive summary

As in 2020 the financial results for Integral UK Limited ("IUK") in 2021 were significantly impacted by Covid-19, albeit as the year ended the impact on the business and the country began to lessen. Again, as in 2020 dealing with the pressures this brings has required tremendous efforts and resilience from all of our employees.

Financially 2021 was a mixed picture for Integral. The gradual relaxation of lockdown through 2021 enabled the business to begin to bounce back and revenues rose 8% year on year to £310.6m. However, client and consumer confidence still remains fragile with discretionary spend continuing to be impacted. 2021 revenues were 15% lower than the 2019 pre-Covid-19 position. Although a significant proportion of Integral revenues relate to statutory compliance activities the caution of clients remains a dampener on demand. Trading, in the construction business, in particular, has also been challenging with price inflation a particular pressure in H2 2021 and into 2022. These headwinds played a large part in driving an ultimately disappointing performance in 2021 with an EBITDA loss of £13.3m.

Notwithstanding this difficult year the wider Jones Lang LaSalle Incorporated ("JLL") group remains committed to Integral and has demonstrated this commitment with the injection of an additional £20m of equity into the business in December 2021. The support of a Fortune 50 parent company with group balance sheet net assets of \$6.1bn (as at June 2022) continues to provide a key differentiator for Integral in the market. Post this capital injection the IUK balance sheet net assets of £33.1m at 31 December 2021 show a business that continues to have a solid financial position. This is recognised with our Creditsafe A grade rating. As well as strengthening the balance sheet position of the business the management team has been enhanced with the appointment of a new CEO and CFO in 2022.

As well as dealing with the pandemic the business continued to press ahead with its multi-year strategic plan during 2021 with some notable areas of operational success:

- Health and safety remains our number one commitment and we are pleased to report that we achieved the prestigious RoSPA Gold award for the eighth consecutive year. This is in recognition of our ongoing practices and achievements in safeguarding our staff, customers, clients, and contractors. Within Integral and the supply chain we aim to put our own people first with a large focus on health and wellbeing. This ensures we are supporting all levels of staff with any mental health concerns that new hybrid working is introducing into the new business model post Covid-19. With the support of the workers shadow board and regular surveys with the work force we listen to what the concerns are and aim to listen and react positively to the concerns.
- Marketing activity consolidated the work initiated in 2020 with continued integration and closer working relationships with JLL marketing, campaign and digital teams. With the new website platform in place to support lead generation, plus a clear programme of content creation, marketing drove increased user engagement. Close collaboration and strong partnership between marketing and sales, ensured that marketing delivered a steady pipeline of qualified leads that supported 2021 sales pursuits and customer acquisition, as well as generating tender opportunities.
- Further growth opportunities have also been leveraged through the client relationships across the wider JLL group.

Strategic Report *(continued)*

Future trading prospects

Operational delivery excellence, together with Integral's position within the JLL group, provides the foundation for future trading and growth.

The pipeline continues to look strong within Facilities Management ("FM") with a broad portfolio of existing clients and opportunities to expand that portfolio. The Corporate sector continues to grow well, through collaboration with JLL sister companies. Good opportunities also exist and have been converted in the Mobile Engineering space. The Public sector contains a pipeline of opportunities characterised by a longer bid cycle which, while not expected to drive significant volume increase in 2022, is expected to generate significant growth in future years.

As well as continuing to grow our external client footprint there remains ever greater focus on self-delivery within the wider JLL. During 2022 this has already led to significant opportunities, particularly in the cleaning and HVAC areas.

Financial performance and financial position

Key factors in the 2021 results:

- Revenue has increased 8% year on year from £288,274,000 to £310,614,000 as volumes have improved following the impact of Covid-19 on the prior year performance.
- Gross margin reduced year on year from £25,467,000 to £21,201,000. Gross margin percentage contracted from 8.8% to 6.8%. Margin has been adversely affected by some significant long term construction contracts that have underperformed, generating an aggregate loss of c£7m within the 2021 financial statements. Construction work on the most significant of these has been completed in H1 2022 with commercial negotiation in progress to close-out.
- Administrative expense cost reduced from £45,636,000 to £42,472,000 through management of operating costs.
- Total comprehensive loss for the year was £21,534,000 (2020: loss of £20,682,000).
- An equity injection of £20,000,000 via investment by JLL group was received during the year.

The company net asset position at 31 December 2021 stands at £33,128,000. We consider that the net asset level is more than adequate for ongoing operations, a position supported by our strong Creditsafe credit rating of A.

There have been no significant events subsequent to the year-end to highlight other than those already referred to in this report.

Strategic Report *(continued)*

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in prices, credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring the Company's exposure to each of these identified risks.

Given the nature of the Company's operations, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The board are actively involved in the Company's management of financial risk and circumstances where it would be appropriate to use financial instruments to manage these.

Price risk

The Company is exposed to changes in prices charged by suppliers for goods and services. This is monitored and managed on an ongoing basis.

The Company has no exposure to equity securities price risk as it holds no listed or other third party equity investments.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterpart is reassessed on a regular basis.

Liquidity risk

Liquidity risk is managed through intercompany funding. Financing is designed to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk

The Company has both interest-bearing assets and interest-bearing liabilities arranged at variable interest rates. Exposure to interest rate movements is monitored by the board and the policy will be revisited should the Company's financing needs change.

Consideration of impact of Brexit

From 1 January 2021 the business has been operating in the post-Brexit environment. As discussed in the 2020 financial statements the direct impact to the business of cross border transactions is relatively limited with minimal sales and purchases from outside the UK. Brexit has created a degree of additional administration associated with customs movements but this has not had a material impact on operations.

Climate risk

As a business with a focus on sustainability we positively address environmental and governance risks, as failure to do so could impact our reputation. Overview of our sustainability strategy is included in the Streamlined Energy and Carbon Reporting section of the Strategic Report.

Commercial and operational risk management

General economic factors influence commercial and operational performance. Such factors are monitored by the management team.

Strategic Report *(continued)*

Regulation and compliance

Corporate Social Responsibility (“CSR”)

Integral aims to be the first choice of our customers and employees by excelling at customer satisfaction and creating profitable growth based on our unique strengths. We are committed to being a responsible business, employer, partner and neighbour. As a business, we believe in conducting our business safely, ethically, sustainably, ensuring our activities are carried out in conformance with all applicable employment, Health, Safety, Environmental and Corporate Legislation and in line with the broader JLL Group ethical standards.

Streamlined Energy and Carbon Reporting (“SECR”)

Energy efficiency action taken

As a JLL company, Integral participate in the group sustainability strategy. Within this strategy targets are set to reduce carbon output across the property estate and to reduce emissions from the vehicle fleet used by the Mobile Engineering team. Targets have been set for future transformation to an EV fleet. During 2022 the first EV vans have been introduced into the Fleet.

It should be noted that 2020 was not a normal comparator year. With a large part of the year subject to lockdown the levels of business travel were artificially subdued. With comparatively little lockdown in 2021 this change has an impact on year-on-year comparisons.

Methodology used

KWH from leasehold properties were sourced from relevant energy bills. These were converted into CO2 emissions using standard industry conversion ratios. Fuel consumption on the Integral hire fleet was sourced from our fuel card provider. This was then adjusted for personal mileage, this data was sourced from in house HR systems. These fuel consumption numbers were then converted into CO2 emissions using standard industry conversion ratios.

Energy consumption

	2021 tCO2e	2020 tCO2e
Scope 1	5,074.8	4,382.7
Scope 2	284.9	310.5
	<hr/>	<hr/>
Total	5,359.7	4,693.2
Intensity ratio (tCO2e/£m revenue)	17.26	16.27

Strategic Report *(continued)*

Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The board of directors of Integral UK Limited consider, both individually and together, that they have acted in a way that they consider to be in good faith, after reaching the decision that they would most likely promote the success of the company, and decisions that were made during the year ending 31 December 2021, for the benefit of its members as a whole. In doing so the directors have had regard to the stakeholders and matters set out in s172(1)(a-f) of the Act.

Consideration of Long-term factors

See "Future Trading Prospects" section above with regards to the mid and long-term strategic actions that have been taken by directors.

The interests of the Company's employees

Integral engages with its stakeholders about a range of topics using different methods of communication that are most applicable for the audience. Integral communicates under its six strategic pillars – people, clients, values, digital, brand and growth – be it in written, digital or oral communication.

There is a clear cascade of information from the Board and Exec team to an extended leadership group and all staff thereafter, to make sure that there isn't solely a reliance on all staff emails. The Board and Exec team are committed to drive staff engagement. The 'Shadow Board', launched in 2021 remains an important avenue for the crystallisation and promotion of issues important to our employees. One of the key focus areas for this team, and the wider business, has been the protection of staff mental as well as physical health.

Supplementary information is provided to leaders in toolkit form regularly which includes key messages, proof points, powerpoint decks and FAQs. Likewise, additional 'all staff' information is provided on the staff intranet, along with further background information and contact details.

Leadership townhalls are timed around key events including financials results and always focus on financial and other key metrics, with calls to action for all. Communications around financial results are also supplemented by the internal Group and messaging from the wider JLL Group. We survey audiences after townhalls and have a clear appetite for face-to-face communication which we're continually seeking to improve.

Strategic Report *(continued)*

The Company's business relationships with suppliers and customers

Suppliers

Integral engages with many suppliers across the supply chain. Integral's Sourcing and Procurement team manages the strategic relationships with the suppliers including defining the business requirements, competitively tendering, contracting, performance management and relationship management.

The interaction varies depending on the type, criticality, and scale of services or products provided. For strategic suppliers the company has a supplier relationship management programme, where there are formal quarterly reviews that cover performance and any future investment decisions. The Company holds periodic events for preferred suppliers so that they are able to understand Integral's strategy and how they fit in.

All suppliers are expected to abide by the Integral Vendor Code of Conduct that clearly states the expectations Integral has of its suppliers.

For our key supply Partners, Integral utilises the Jaggaer platform, which enables consistency with the on-boarding of suppliers and bid management of suppliers. When there is a need to engage with all suppliers, for example where there is an international incident or crisis, Integral is able to communicate very efficiently to all enrolled suppliers.

At an operational level, suppliers are managed on a daily basis by Integral staff. Many suppliers are embedded in our operating model, and their performance is measured and managed locally.

The Sourcing and Procurement team often meet new suppliers to understand their capabilities and to assess their fit for our market. New suppliers are identified from a number of resources including referrals, interaction at trade shows, cold calls and internet searches.

Customers

The Company communicates on a series of topics and these communications are driven through a variety of channels (Integral's owned channels, such as direct email, third party channels, such as events, paid for advertising, PR, social media and most important via our Integral client-facing people as well as utilising information from the wider JLL Group) and initiatives.

Our communication programmes typically build from client insights. These insights come from our data that we capture through our website, research, preference centre, CRM platforms or from our client-facing employees. Based on this insight we build a view of the client's needs, the stage at which they are at in their relationship with JLL and a view of which message or topic will be most relevant to the client. Once we have this plan our marketing communications tend to be focused on three areas: Brand (how they feel about the company), Insight or Theme (what they should think about a topic that may impact their business or role) or Product or Service (how we can help them). Our messages are then distributed through a variety of channels that range from face-to-face presentations to clients on a particular theme, to digital advertising to clients around our values and our brand positioning. Each message and campaign will have a specific delivery programme and investment level associated to it. We monitor the engagement levels with our communications carefully and based on the feedback we trigger further stages of the campaign, or we update it appropriately. We also seek to provide supplementary information to client facing employees in the form of toolkits that include key messages, proof points, powerpoint decks, case studies and FAQs.

We take our client communications seriously and invest appropriately. We have a team of marketing people supported by external agencies working on the communications programme. They work closely with the JLL global teams on activities such as PR, digital marketing, client segmentation and marketing material development.

Strategic Report *(continued)*

The community and the environment

The Company recognises that the next 20 years will present some of the greatest demographic, technological, environmental and social challenges of our time. These challenges demand a bold response, with the need to embed sustainability into all aspects of Integral's business.

These environmental and social challenges also present an opportunity, and our vision is to make Integral a UK-leading, sustainable Mechanical and Electrical services firm that can help support our clients in delivering their wider sustainability challenges. This progressive approach leads to responsible investment decisions with healthier, safer, more engaged people, and increased value for all our stakeholders. Integral also contributes to JLL's sustainability programme, "Building a Better Tomorrow". This vision is delivered via four focus areas: clients, workplaces, communities and people:

Clients

We seek to transform the UK maintenance and repair sector by integrating sustainability into all of our advice and by supporting clients with leading sustainability and energy expertise.

Workplaces

Through exemplary workplace design and operation, we support staff wellbeing and play a leading role in the UK's transition to a low carbon, circular economy.

Communities

The Company works in partnership with local communities to address the social issues where we can have the most impact. We are committed to leveraging our skills and experience, and to challenging ourselves and the way we do business.

People

The Company seeks to create a work culture that values diversity, recognises and rewards talent, develops skills for tomorrow's challenges and fosters good health, safety and wellbeing. In 2019, JLL UK committed to achieving net zero carbon in our UK workplaces by 2030, Integral are part of that commitment and are working on delivering this ambitious programme.

The reputation for high standards of business conduct

JLL stands for uncompromising integrity and the highest ethical conduct and has been named this year as one of the World's Most Ethical Companies for the 15th consecutive year. Integral, as part of the JLL Group, works to the same standards. Integral personnel throughout the business and irrespective of seniority follow our core values of teamwork, excellence and ethics.

At the heart of Integral's quality and business conduct framework is the Code of Ethics and the Ethics Everywhere programme. These touch on numerous aspects of quality and business conduct with respect to different stakeholder groups: employees, clients, marketplace, shareholders and communities.

Integral has existing policies and procedures which reflect the organisation's activities, structure and risks. These policies and procedures are reviewed and maintained. Integral also holds certain accreditations which are independently audited. In some other cases, Integral seeks to apply the standards of other accreditations (even if not formally certified) or runs an internal programme of audits and reviews.

To sustain the framework, Integral employs and develops qualified subject matter experts, engages external professional advisers, appoints champions within the business, and designs or procures technological solutions.

Strategic Report *(continued)*

The reputation for high standards of business conduct *(continued)*

Various forms of guidance, training and communications support the framework, and Integral leaders receive regular reports and briefings.

Integral offers various mechanisms for the raising of concerns. Whether to line managers and business leaders, leaders of support functions (including Legal & Compliance), or the externally-managed speak-up service (accessible by phone, email or internet) offers anonymity, Integral encourages the raising of concerns so that they can be addressed.

The need to act fairly between members of the group

As a 100% owned subsidiary, all decisions are made in the interests of the Parent Company as a single shareholder.

Corporate governance arrangements statement

One of Integral's priorities is to promote best-in-class governance, compliance, enterprise risk management and professional standards to operate a sustainable organisation which meets the significant challenges and risks inherent in UK markets and minimises disruptions to, and distractions from, the accomplishment of our corporate mission.

As a part of the JLL global organisation, where the ultimate parent company is a publicly traded company, which is subject to various corporate governance and other requirements established by statute, pursuant to SEC regulations and under the rules of the New York Stock Exchange, we follow globally implemented corporate governance policies.

Integral's Corporate Governance is the framework of policies and processes which determine how Integral is managed and controlled. Our Corporate Governance Policies give guidance on the processes and behaviours that shape our organization. Our corporate governance developments are regularly reviewed and modified to ensure alignment with the wider JLL Group.

As a UK incorporated entity, besides the global policies, the directors work with the assistance of its Compliance and Legal Department to review and stay abreast of changes in laws and regulations that affect the way we conduct our corporate governance in the UK. We are committed to the values of effective corporate governance, operating our business to the highest ethical standards and conducting ourselves in an environmentally and socially responsible manner. We believe that these values promote the best long-term performance of Integral for the benefit of our shareholders, clients, staff and other constituencies.

We believe our policies and practices reflect corporate governance initiatives that comply with corporate governance requirements and regulations in the UK.

By order of the Board

DocuSigned by:

0A0371105279419...
Ian Bell
Finance Director

28 September 2022

Directors' Report

The directors present their report and the audited financial statements for Integral UK Limited, (the "Company") for the year ended 31 December 2021.

Principal activities

The Company's principal activity is that of facilities services, including mechanical, electrical and fabric maintenance.

Review of business and future prospects

Please refer to the Strategic Report on pages 2 to 9 for a review of the business during the year and assessment of future prospects.

s172 Statement

Please refer to the Strategic Report on pages 2 to 9 for a Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006.

Streamlined Energy and Carbon Reporting ("SECR")

Please refer to the Strategic Report on pages 2 to 9 for SECR disclosures.

Dividend

No interim dividend was paid in respect of the year ended 31 December 2021 (2020: £nil). No final dividend is proposed (2020: £nil).

Going concern

The Company's assessment of going concern is set out in note 1.2. The directors have a reasonable expectation that, with the ongoing support of the JLL group, the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the annual report and accounts is prepared on the going concern basis.

Directors and their interests

The directors who have served during the year and at the time of signing this report are set out on page 1.

Employee involvement

The Company seeks to engage all employees in both its short term and long term goals. This is mainly achieved through briefings. Further information is provided in 'The interests of the company's employees' section within the Strategic Report on pages 2 to 9.

Employment of disabled persons

It is the policy of the Company in the United Kingdom that disabled people, whether registered or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining.

Political contributions

The Company made no political donations or incurred any political expenditure in the year (2020: £nil).

Directors' Report *(continued)*

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each 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 ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 485 of the Companies Act 2006, the auditor will be deemed to be re-appointed and Grant Thornton will therefore continue in office.

By order of the Board

DocuSigned by:

0A0371105278419...
I Bell
Director

28 September 2022

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.


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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect 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 United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

By order of the Board

DocuSigned by:

0AD371105279419...
I Bell
Director

28 September 2022

Independent auditor's report to the members of Integral UK Limited

Opinion

We have audited the financial statements of Integral UK Limited ("the company"), which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity for the year ended 31 December 2021, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and accounting standards issued by the Financial Reporting Council including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Integral UK Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the company as at 31 December 2021 and of its financial performance for the year then ended; and
- have been properly 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 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Integral UK Limited *(continued)*

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Directors' Report and the Strategic Report.

The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 and the Directors' Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Integral UK Limited *(continued)*

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Statement of Directors' responsibilities, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their 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.

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

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 material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with data protection, employment and environmental regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

Independent auditor's report to the members of Integral UK Limited *(continued)*

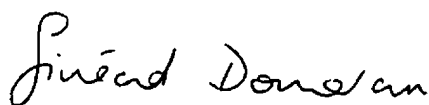
In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the company's regulatory and legal correspondence and review of minutes of directors's meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including carrying value of intangible assets, WIP and receivable recoverability, percentage of completion on contracts, income taxes; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls. The purpose of our audit work and to whom we owe our responsibilities

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.



Sinead Donovan (Senior Statutory Auditor)
For and on behalf of
Grant Thornton
Chartered Accountants & Statutory Auditors
Dublin
28 September 2022

Profit and loss account
for the year ended 31 December 2021

	<i>Note</i>	2021 £000	2020 £000
Turnover	2	310,614	288,274
Cost of sales		(289,413)	(262,807)
Gross profit		<u>21,201</u>	<u>25,467</u>
Administrative expenses		(42,472)	(45,636)
Operating loss		<u>(21,271)</u>	<u>(20,169)</u>
Interest receivable and similar income	6	55	150
Interest payable and similar charges	7	(351)	(549)
Loss before taxation		<u>(21,567)</u>	<u>(20,568)</u>
Tax on loss	8	33	(114)
Loss for the financial year		<u><u>(21,534)</u></u>	<u><u>(20,682)</u></u>

There was no other comprehensive income for the current or preceding financial year other than as stated in the profit and loss account.

All amounts derive from continuing operations.

The notes on pages 20 to 39 form an integral part of these financial statements.

Balance Sheet
as at 31 December 2021

	<i>Note</i>	2021 £000	2020 £000
Fixed assets			
Intangible assets	9	14,603	16,597
Tangible assets	10	15,071	15,819
		<hr/>	<hr/>
		29,674	32,416
Current assets			
Stocks	11	-	119
Debtors	12	89,376	91,786
Cash at bank and in hand	13	789	888
		<hr/>	<hr/>
Creditors: amounts falling due within one year	14	90,165 (80,006)	92,793 (82,175)
		<hr/>	<hr/>
Net current assets		10,159	10,618
		<hr/>	<hr/>
Total assets less current liabilities		39,833	43,034
Creditors: amounts falling due after more than one year	15	(6,705)	(8,372)
		<hr/>	<hr/>
Net assets		33,128	34,662
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called up share capital	18	50	25
Share premium account	18	42,970	22,995
Capital contribution reserve		21,800	21,800
Other reserves		187	187
Profit and loss account		(31,879)	(10,345)
		<hr/>	<hr/>
Shareholders' funds		33,128	34,662
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 20 to 39 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 28 September 2022 and were signed on its behalf by:

DocuSigned by:

 0A0371105279419...
I Bell
 Director

Company registered number: 05307588

Notes

(forming part of the financial statements)

1 Accounting policies

Integral UK Limited (the “Company”) is a private company incorporated, domiciled and registered in England in the UK. The registered number is 5307588 and the registered address is 30 Warwick Street, London, W1B 5NH.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company’s immediate parent company during the year was Integral UK Holdings Limited, a company incorporated in England and Wales. The Company’s ultimate parent undertaking, Jones Lang LaSalle Incorporated, includes the Company in its consolidated financial statements. The consolidated financial statements of Jones Lang LaSalle Incorporated are prepared under USGAAP and are available to the public and may be obtained from the 200 East Randolph Drive, Chicago, Illinois 60601, USA. In these financial statements, the Company has applied the exemption available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Certain disclosures regarding revenue;
- Certain disclosures regarding leases;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Jones Lang LaSalle Incorporated include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the current year financial statements including estimates with a significant risk of material adjustment in the next year are discussed in note 22.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Notes *(continued)***1 Accounting policies** *(continued)***1.1 Measurement convention**

The financial statements are prepared on the historical cost basis.

1.2 Going concern

As at 31 December 2021, the net current asset position was £10,159,000 (2020: £10,618,000) and the net asset position was £33,128,000 (2020: £34,662,000). The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements. The forecasts show improvement in free cash flow and, through support from its ultimate parent company, Jones Lang LaSalle Inc, the Company will have sufficient funds to meet its liabilities as they fall due for that period. The forecasts, and the underlying going concern premise, are dependent on the Jones Lang LaSalle Incorporated group ('JLL') providing continued financial support during that period to the Company's immediate parent entity, Integral UK Holdings Limited. JLL has demonstrated commitment to the Integral subgroup via financial injection of £20m in December 2021 and through confirmation of its intention to continue to make available such funds as are needed by the Company's immediate parent for the period covered by the forecasts.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Financial instruments**(i) Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement*Financial assets***(a) Classification**

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income ("FVOCI") as described above are measured at FVTPL.

Notes *(continued)***1** **Accounting policies** *(continued)***1.3** **Financial instruments** *(continued)***Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits.
Bank overdrafts that are repayable on demand are classified as current liabilities (see note 14).

Discount financing facility

During the prior year the Company made use of an invoice discounting facility but this was not in use at 31 December 2020. For the comparative period, in accordance with IFRS 9, the trade debtors and the advances from the bank have been shown separately as the company held significant risks and rewards relating to receivables.

(b) **Subsequent measurement and gains and losses**

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

(iii) **Impairment**

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, and contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

Notes (continued)**1 Accounting policies (continued)****1.3 Financial instruments (continued)**

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Leasehold buildings - term of lease
- Plant, machinery and vehicles - 25 – 50%
- Fixtures and fittings - 20 – 33%

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Notes (continued)**1 Accounting policies (continued)****1.5 Intangible assets***Development activities*

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses. Amortisation commences from the point in time that the intangible assets comes into operation.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Software 7 years

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, conversion costs and other costs in bringing them to their existing location and condition.

1.7 Impairment of non-financial assets excluding stocks, and deferred tax assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units ("CGU") that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes *(continued)***1 Accounting policies** *(continued)***1.8 Employee benefits***Defined contribution plans and other long term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.9 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.10 Turnover

The nature, timing and amount of revenue recognised is determined by a five-step model:

1. Identify contracts with customers
2. Identify the separate performance obligations
3. Determine the transaction price of the contract
4. Allocate the transaction price to each of the separate performance obligations; and
5. Recognise the revenue as each performance obligation is satisfied

Non-project Works:

Non-project works includes Planned Maintenance and Reactive works. These works are typically consistent in customer base and nature of service provided to the customer. Planned Maintenance being ongoing contracted service work and Reactive works being incremental works not covered by existing contractual arrangements. Consequently, these services are treated as a single service line in note 2. Revenue arising from non-project works may be recognised either “over time” (Planned Maintenance) or “point-in-time” (Reactive works) depending on the contractual terms.

Planned Maintenance (“PPM”):

Service revenue from such fixed price contracts is recognized on a straight-line basis over the life of the maintenance agreement, i.e. 1/12 monthly for an annual fixed price contract. Any upfront billings should be deferred to balance sheet as contract liability and recognized as revenue in on a straight-line basis over the maintenance agreement. Any billings invoiced in arrears should be accrued to balance sheet as accrued income. All costs are recognised as incurred.

Reactive Works:

Reactive works represent services provided to the customer base incremental to that covered by the PPM contract. Revenue is recognised at a “point in time”, with work done based purely on the costs. The margin is recognised as being the difference between the actual costs and actual invoiced amount. Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account. Payments received on account in respect of contracts that exceed the recognised turnover are included in creditors. Provision is made for any losses that are foreseen.

Notes (continued)

1 Accounting policies (continued)

1.10 Turnover (continued)

Project Works:

Project revenue is recognised over time in accordance with the “output” method of recognition. Assessment of stage of completion is made by a Quantity Surveyor and updated by management for further output between date of certification and the financial year-end. Provision is made for any losses that are foreseen.

1.11 Interest

Interest receivable and interest payable

Interest payable and similar charges is interest payable on bank loans and amounts owed to group companies.

Other interest receivable and similar income include interest receivable on amounts owed by group companies and amounts from other services.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.12 Income from government grants

Income from the government job retention scheme has been recognised on the accruals basis as a respective deduction from expense in cost of sales and administrative expense.

1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)**1 Accounting policies (continued)****1.14 Leases***As a lessee*

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Company accounts for each lease component separately from the non-lease components. The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise,
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases (i.e. underlying assets with a value of £4,000 or less when they are new – even if they are material in aggregate).

The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes *(continued)***1 Accounting policies** *(continued)***1.15 New adopted standards during the year**

The following Adopted IFRSs were effective for periods beginning on or after 1 January 2021, and have been applied in these financial statements. Their adoption did not have a material effect on the financial statements.

- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16)
- Amendments to References to the Conceptual Framework (Various Standards)
- Covid-19 Rent Related Concessions (Amendments to IFRS 16)

2 Turnover

All turnover and profits are derived from the supply of facilities maintenance services within the UK. These services are distinguished between project works and non-project works. The non-project works include the planned maintenance and reactive works. These have been classed as a single service line on the basis of common nature of service and customer base.

	2021 £000	2020 £000
Project works	75,237	76,245
Non-project works	235,377	212,029
	<u>310,614</u>	<u>288,274</u>

Contract balances

The following table provides information about opening and closing receivables, contract assets and contract liabilities from contracts with customers.

	2021 £000	2020 £000
Receivables (note 12)	49,968	44,229
Contract assets (note 12)	33,440	32,604
Contract liabilities (note 14)	(8,399)	(6,478)
	<u>74,999</u>	<u>70,355</u>

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date on planned maintenance, reactive works and project works. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the advance consideration received from customers for planned maintenance, reactive works and project works.

Notes (continued)**3 Expenses and auditor's remuneration**

Included in profit/loss are the following:

	2021 £000	2020 £000
Bad debt expense	438	482
Depreciation expense	5,514	7,005
Amortisation expense	2,461	1,791
Foreign exchange loss/(gain)	25	(64)

Auditor's remuneration:

	2021 £000	2020 £000
Audit of these financial statements	264	259
Audit of annual accounts of other group companies	23	27
	<u>287</u>	<u>286</u>

4 Staff numbers and costs

The average weekly number of persons employed by the Company (including directors) during the year was as follows:

	2021 No.	2020 No.
Operations	1,379	1,553
Management and administration	880	915
	<u>2,259</u>	<u>2,468</u>

The aggregate payroll costs of these persons were as follows:

	2021 £000	2020 £000
Wages and salaries	92,941	97,741
Social security costs	9,973	10,296
Contributions to defined contribution plans	3,269	2,434
	<u>106,183</u>	<u>110,471</u>

Notes (continued)**5 Directors' remuneration**

	2021 £000	2020 £000
Directors' remuneration	1,437	670
Company contributions to money purchase pension plans	42	38
	<u>1,479</u>	<u>708</u>

The directors of the Company received remuneration in the year from another company in the Jones Lang LaSalle Incorporated group. Costs for their services to the Company were recharged to the company and are as disclosed in this note.

The aggregate of remuneration, amounts receivable under long term incentive schemes and severance settlement of the highest paid director was £890,000 (2020: £345,000), and company pension contributions of £16,000 (2020: £14,000) were made to a money purchase scheme on their behalf.

	Number of directors	
	2021	2020
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	<u>3</u>	<u>3</u>

6 Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable from group companies	<u>55</u>	<u>150</u>

7 Interest payable and similar charges

	2021 £000	2020 £000
On bank loans and overdraft	23	135
Interest payable to group companies	53	18
Interest on lease arrangements	275	396
	<u>351</u>	<u>549</u>
Total interest payable and similar charges	<u>351</u>	<u>549</u>

Notes (continued)**8 Taxation****Total tax (credit)/expense recognised in the profit and loss account, other comprehensive income and equity**

	£000	2021 £000	£000	2020 £000
Adjustments in respect of prior periods		-		-
Adjustments in respect of current period		-		-
		<hr/>		<hr/>
Total current tax		-		-
<i>Deferred tax (see note 16)</i>				
Origination and reversal of timing differences	(33)		114	
Adjustments in respect of prior periods	-		-	
	<hr/>		<hr/>	
Total deferred tax		(33)		114
		<hr/>		<hr/>
Total tax charge		(33)		114
		<hr/> <hr/>		<hr/> <hr/>

All tax is recognised in the profit and loss account.

The actual tax credit for the year differs from that based on the standard tax rate as set out below:

Reconciliation of effective tax rate

	2021 £000	2020 £000
Loss before tax for the year	(21,567)	(20,568)
Tax using the UK corporation tax rate of 19%	(4,098)	(3,908)
Fixed asset differences	(33)	114
Non-deductible expenses	55	68
Group relief (claimed)/surrendered	-	3,840
Current year losses carried forward	8,822	-
Reassessment on prior periods	(4,779)	-
	<hr/>	<hr/>
Total tax (credit)/charge included in profit or loss	(33)	114
	<hr/> <hr/>	<hr/> <hr/>

All tax is recognised in the profit and loss account.

The main rate of UK corporation tax for 2021 is 19% (2020: 19%). Accordingly, the Company's profit for this, and future, accounting periods is taxed at an effective rate of 19%. However, Finance Act 2021 provides that from 1 April 2023, the main rate of corporation tax will increase to 25% for companies with chargeable profits of over £250,000.

There is an unprovided deferred tax asset of £11,608,000 calculated at the rate of 25% as the asset is not expected to be realised until that rate becomes effective. The asset has not been recognised as group relief compensation is not expected to be applied.

Notes *(continued)***8** **Taxation** *(continued)*

The Company is aware of an announcement indicating the UK Government may hold corporation tax at 19% for the foreseeable future. At the time of signing these financial statements, this change in policy has not been enacted nor has it been substantively enacted. On that basis, the Company has not revalued its unprovided deferred tax asset by reference to a 19% effective tax rate. If the company were to revalue its unprovided deferred tax asset, using an effective tax rate of 19% the value would be £8,822,000.

The Company has changed its tax strategy and it will no longer be utilising group relief for the financial years 2019 and 2020. The change in estimate has been accounted for prospectively and the effect on liabilities and tax expenses has been reflected in the current period.

The provided deferred tax liability at 31 December 2021 has been calculated at the current rate.

9 **Intangible assets**

Cost	Software license £000	Total £000
Balance at 1 January 2021	20,884	20,884
Additions	467	467
	<hr/>	<hr/>
At 31 December 2021	21,351	21,351
	<hr/>	<hr/>
Amortisation and impairment		
Balance at 1 January 2021	4,287	4,287
Charge for year	2,461	2,461
	<hr/>	<hr/>
At 31 December 2021	6,748	6,748
	<hr/>	<hr/>
Net book value		
At 31 December 2021	14,603	14,603
	<hr/>	<hr/>
At 31 December 2020	16,597	16,597
	<hr/>	<hr/>

Notes (continued)

10 Tangible fixed assets	Short leasehold buildings £000	Plant machinery and vehicles £000	Fixtures and fittings £000	Total £000
Cost				
Balance at 1 January 2021	9,602	22,708	572	32,882
	<hr/>	<hr/>	<hr/>	<hr/>
Additions	1,886	2,766	114	4,766
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	11,488	25,474	686	37,648
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment				
Balance at 1 January 2021	3,085	13,430	548	17,063
	<hr/>	<hr/>	<hr/>	<hr/>
Disposals	-	-	-	-
Charge for year	1,201	4,294	19	5,514
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	4,286	17,724	567	22,577
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2021	7,202	7,750	119	15,071
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	6,517	9,278	24	15,819
	<hr/>	<hr/>	<hr/>	<hr/>

11 Stocks

	2021 £000	2020 £000
Raw materials and consumables	-	119
	<hr/>	<hr/>

Raw materials and consumables recognised as cost of sales in the year amounted to £34,691,000 (2020: £30,668,000). The write-down of stocks to net realisable value amounted to £nil (2020: £nil).

Notes (continued)

12 Debtors

	2021 £000	2020 £000
Trade debtors	49,968	44,229
Contract assets	33,440	32,604
Amounts owed by group undertakings		
- current	1,668	115
- loan	519	10,249
Corporation tax	-	-
Deferred tax assets (see note 16)	-	-
Other debtors	1,449	2,107
Prepayments and accrued income	2,332	2,482
	<u>89,376</u>	<u>91,786</u>

The loans due from group undertakings are repayable on demand. An interest rate of approximately 0.05% has been charged in the year on the intercompany loans. The current account intercompany balances are unsecured, non-interest bearing and repayable on demand.

All debtors are due within one year.

13 Cash at bank and in hand

	2021 £000	2020 £000
Sterling	401	450
Euro	388	438
	<u>789</u>	<u>888</u>

Notes *(continued)***14 Creditors: amounts falling due within one year**

	2021	2020
	£000	£000
Bank loans and overdrafts*	-	-
Trade creditors	17,809	22,842
Contract liabilities	8,399	6,478
Lease liabilities	3,291	4,302
Amounts owed to group undertakings		
- current – trading	2,092	1,130
- loan – financing	6,184	6,156
Corporation tax liabilities	-	12
Deferred tax liabilities (see note 16)	420	453
Taxation and social security	8,315	14,113
Accruals and deferred income	33,496	26,689
	<u>80,006</u>	<u>82,175</u>

* During the prior year the Company made use of an invoice discounting facility but this was not in use at 31 December 2020. The overdraft balance related to the advances from the bank under this facility.

The discounting facility was subject to compliance with specified conditions concerning debt turn and credit note dilution.

The current account balances owed to group companies are unsecured, non-interest bearing and repayable on demand.

The loan balance owed to group companies is a group company loan facility. The balance is repayable on demand and interest is charged in accordance with the terms of the group Intercreditor Agreement. An interest rate of approximately 0.05% has been applied in the year.

15 Creditors: amounts falling due after more than one year

	2021	2020
	£000	£000
Lease liabilities	6,705	8,372
	<u>6,705</u>	<u>8,372</u>

Notes (continued)**16 Deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	Assets 2021 £000	2020 £000	Liabilities 2021 £000	2020 £000	Net 2021 £000	2020 £000
Accelerated capital allowances	-	-	(420)	(453)	(420)	(453)
Short term timing differences	-	-	-	-	-	-
Total tax assets/(liabilities)	-	-	(420)	(453)	(420)	(453)

17 Employee benefits

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £3,269,000 (2020: £2,434,000).

18 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<i>Allotted, called up and fully paid</i>				
40,000 (2020: 20,000) ordinary shares of £1 each	40,000	20,000	40,000	20,000
10,000 (2020: 5,000) 'A' ordinary shares of £1 each	10,000	5,000	10,000	5,000
	<u>50,000</u>	<u>25,000</u>	<u>50,000</u>	<u>25,000</u>

All shares are classified in shareholders' funds.

The ordinary shares have one voting right attached per share, and the owner will be entitled to a distribution at the discretion of the directors of the company.

The holder of the 'A' ordinary shares will be entitled to attend an annual general meeting and vote at that meeting, and will be entitled to attend an extraordinary meeting and vote at that meeting. The 'A' ordinary shares will only be entitled to participate in the proceeds of a sale of the Company, or on winding up of the Company, if the Company value has exceeded a certain hurdle amount. If the hurdle amount has not been exceeded then the 'A' ordinary shares will not be entitled to any proceeds. If the hurdle amount has been exceeded then the 'A' ordinary shares will be entitled to a share in the proceeds above the hurdle amount pari passu with the ordinary shares. The directors may declare that a dividend is payable in respect of the 'A' ordinary shares.

If the holder of the 'A' ordinary shares leaves employment with the Company or a Company associated with the Company, the Company can require the holder of the 'A' ordinary shares to sell some or all of their 'A' ordinary shares to the Company or to another party designated by the Company. The value paid for these shares will be determined dependent on whether the holder is classified as a good leaver or a bad leaver.

The holder of the 'A' ordinary shares will only be able to sell their shares on a sale or listing of the Parent Company (Integral UK Holdings Limited), or a sale of the Company. Such an event occurred on 31 July 2016, when Jones Lang LaSalle Incorporated purchased the shares in the Company.

Notes (continued)

18 Share capital (continued)

During the year there was a capital injection by the immediate parent company to improve working capital and, thereby, strengthen the Balance Sheet. In this regard there was an allotment of an additional 20,000 ordinary shares (with nominal value of £1) and an additional 5,000 'A' ordinary shares (with nominal value of £1). The allotment was satisfied by total consideration of £20,000,000. The premium on issue of the share capital of £19,975,000 was recognised in the share premium account.

19 Leases

Right-of-use assets related to lease properties that do not meet the definition of investment properties are presented as property, plant and equipment (see note 10):

	Short leasehold buildings £000	Plant machinery and vehicles £000	Fixtures and fittings £000	Total £000
Balance at 1 January 2021	4,935	7,426	-	12,361
Additions to right-of-use assets	1,400	109	-	1,509
Depreciation charge for the year	(979)	(3,303)	-	(4,282)
	<u>5,356</u>	<u>4,232</u>	<u>-</u>	<u>9,588</u>
Balance at 31 December 2021	<u>5,356</u>	<u>4,232</u>	<u>-</u>	<u>9,588</u>

Lease liabilities

	2021 £000	2020 £000
Maturity analysis – contractual undiscounted cash flows:		
Less than one year	3,512	4,577
One to five years	5,175	7,051
More than five years	1,967	1,886
	<u>10,654</u>	<u>13,514</u>
Total undiscounted lease liabilities at 31 December	10,654	13,514
Imputed interest	(658)	(840)
	<u>9,996</u>	<u>12,674</u>
Total discounted lease liabilities at 31 December	<u>9,996</u>	<u>12,674</u>
Lease liabilities included in the balance sheet at 31 December:		
Current	3,291	4,302
Non-current	6,705	8,372
	<u>9,996</u>	<u>12,674</u>

Notes (continued)**19 Leases (continued)***Amounts recognised in profit or loss*

The following amounts have been recognised in profit or loss for which the Company is a lessee:

	2021 £000	2020 £000
Interest expense on lease liabilities	275	396
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities	211	287
Income from subleasing right-of-use assets presented in "other revenue"	-	-
	<u>486</u>	<u>683</u>

20 Related parties*Identity of related parties with which the Company has transacted*

The company has taken advantage of the exemption available under FRS 101 section 8k not to disclose transactions with wholly owned subsidiaries which form part of the Group.

During the year, the Company carried out transactions with entities which form part of the Jones Lang LaSalle Incorporated group, in the normal course of business. The year end balances held with group companies are:

	Receivables outstanding		Payables outstanding	
	2021 £000	2020 £000	2021 £000	2020 £000
Group companies	<u>2,187</u>	<u>10,364</u>	<u>(8,276)</u>	<u>(7,286)</u>

21 Ultimate parent undertaking

The Company is a subsidiary undertaking of Integral UK Holdings Limited. The registered office of Integral UK Holdings Limited is 30 Warwick Street, London, W1B 5NH. The ultimate controlling party is Jones Lang LaSalle Incorporated.

The group in which the results of the Company are consolidated is that headed by Jones Lang LaSalle Incorporated, incorporated in the USA. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained, from 200 East Randolph Drive, Chicago, Illinois 60601, USA.

Notes (continued)

22 Accounting estimates and judgements

Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Revenue recognition

When margin on contracts is probable, an estimate is made of the expected financial impact of this margin. The estimate is based upon historical data for the performance of either individual customer contracts, or those in similar sectors or business type. The company recognises a conservative policy for future costs of completing the contract, but realises there is some uncertainty.

Where circumstances indicate that contracts may become loss making assessment of the expected out-turn of the contract is made. While this may contain uncertainty the company makes a best estimate of the outcome of the contract based upon known and expected cost to complete. Where applicable losses are recognised when identified.

WIP and debtor recoverability

There is a level of uncertainty around the recoverability of work in progress and trade debtors and the company uses a conservative provision approach to account for this uncertainty. The company uses historical data and customer knowledge to estimate the amount of provision that is needed in the accounts, to ensure the uncertainty of recoverability is addressed. Recoverability of work in progress is considered on a monthly basis. The estimate of expected credit losses was calculated in accordance with IFRS 9, and the company provides for debtor recoverability on the basis of expected credit loss.

Carrying value of tangible and intangible fixed assets

The carrying value of fixed assets has been considered at year-end based upon the current performance of the business (to assess for indicators of impairment) and realisable value of the assets.

Income taxes

The determination of the Company's provision for income tax as well as deferred tax assets and liabilities involves significant judgements and estimates on certain matters and transactions, for which the ultimate outcome may be uncertain. If the final outcome differs from the company's estimates, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

23 Post balance sheet events

There have been no reportable balance sheet events affecting the Company.