

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Contents**

Strategic Report	Pages 1 - 2
Directors' Report	Pages 3 - 5
Independent Auditor's Report	Pages 6 - 8
Statement of Comprehensive Income	Page 9
Balance Sheet	Page 10
Statement of Changes in Equity	Page 11
Notes to the Financial Statements	Pages 12 - 18

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Business review and future developments**

***Nature of the business***

The principal activity of Faithful+Gould (Holdings) Limited (the Company) is to act as a holding company to its subsidiaries which provide quantity surveying, cost engineering and project management.

***Objectives of the business and future developments***

The Company expects to continue to act as a holding company for the foreseeable future.

During the year, the Company was a member of the group of companies headed by SNC-Lavalin Group Inc. (the Group).

Further details of the objectives and future developments for the Group are disclosed in the SNC-Lavalin Group Inc. financial statements for the year ended 31 December 2019 (see note 13).

***Principal risks and uncertainties***

The Company does not trade, therefore, the principal risks and uncertainties would concern the carrying value of its assets in its balance sheet. The Directors believe that the net realisable value of those assets, which consist of amounts owed by group undertakings, and investments in other group companies, is at least equal to the carrying value.

SNC-Lavalin Group Inc. has measures in place to identify, monitor and, to a certain extent, mitigate risks and uncertainties across the Group (further details are disclosed in the SNC-Lavalin Group Inc. financial statements for the year ended 31 December 2019, see note 13).

***Brexit***

The impact of the United Kingdom's departure from the EU on 31 January 2020 did not impact the Company, given it acts primarily as an investment holding company. The impact on investments and subsidiaries of the Company has been considered but do not impact the Company given the minimal risk to the operations of its subsidiaries.

***Covid-19***

The COVID-19 Pandemic did not impact the Company during the financial year ended 31 December 2019 and is not expected to have an impact during the financial year ended 31 December 2020, given the Company acts primarily as an investment holding company. The impact of the Pandemic on investments and subsidiaries of the Company has been considered and given the Group's early and decisive action and diverse portfolio of projects and clients, any impact is not expected to materially affect the Company.

**Results and dividends**

The Company has adopted FRS 101 - Reduced Disclosure Framework and has taken advantage of the disclosure exemptions allowed under this standard.

***Results***

The results and financial position are shown on pages 9 and 10 of the Financial Statements. During the year the Company received income of £2,932k (31 December 2018: £23k).

***Dividends***

A dividend of £2,902k was paid during the year ended 31 December 2019 (31 December 2018: £nil).

***Key performance indicators***

The Group uses a range of performance measures to monitor and manage the business. Those that are particularly important in monitoring our progress in generating shareholder value are considered key performance indicators (KPIs). There are, however, no KPIs reported for this Company as there was no trade during the financial period and the Company has no employees.

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

**Corporate sustainability**

The Company is committed to acting responsibly towards all its stakeholders, and the Group is committed to taking a leadership position within its sector with regards to corporate sustainability. The Group's corporate sustainability strategy and performance is published on its website at [www.snclavalin.com/en/sustainability](http://www.snclavalin.com/en/sustainability).

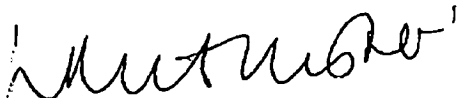
**S.172 Statement**

The Company works to ensure that every matter presented for consideration by the Company's board has regard for the matters set out in Section 172 of the Companies Act 2006. The Company's board and directors are continuously seeking to further improve engagement with stakeholders in order to identify matters of importance and to understand how these matters can be capitalised upon in order to further generate long-term Company value and promote success for the benefit of the Company's members as a whole.

The Company engages regularly with its stakeholders to ensure relevant stakeholder issues are understood and considered appropriately. The Company's core purpose is to act as a holding company and so the Company has no employees or customers. The primary stakeholder of the Company is its subsidiaries and the Company engages regularly to ensure it is providing services in such a way to ensure the Company's subsidiaries are able to provide long-term value for their stakeholders. Further details of the Company's subsidiaries are provided in the Notes to the Financial Statements of these Financial Statements.

Stakeholders of the Company are considered in all decisions made by the Company at board level. In particular, during the year, the Company met on numerous occasions and discussed matters of material importance to the Company's strategy. During the year, the Company considered and approved the payment of a dividend (further details of which are provided in the Notes to the Financial Statements of these Financial Statements). The value and appropriateness of this dividend was considered in detail, with specific reference and consideration as to the Company's stakeholders. Further details regarding the Company's strategy can be found in the Strategic Report and the Directors' Report of these Financial Statements.

Approved by the board of directors and signed on its behalf by:



Louise McAllister  
Company Secretary  
13 October 2020

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their annual report, together with the Financial Statements and the Independent Auditor's report, of Faithful+Gould (Holdings) Limited (the Company), for the year ended 31 December 2019.

As permitted by legislation, the following information and disclosures that are required under company law are included in the Strategic Report and are incorporated into this report by reference:

- review of the performance and future developments of the Company;
- principal risks and uncertainties; and
- the amount (if any) that the directors recommend by way of a dividend.

The Company is domiciled in England and Wales and is a private limited company.

**Dividends**

A dividend of £2,902k was paid during the year ended 31 December 2019 (31 December 2018: £nil).

**Financial risk management policies and objectives**

Throughout the year, SNC-Lavalin Group Inc.'s (the Group) treasury function managed and monitored the funding requirements and financial risks in support of the Group's corporate objectives (further details are disclosed in the SNC-Lavalin Group Inc. Financial Statements for the year ended 31 December 2019, see note 13).

**Critical accounting policies**

The Company's principal accounting policies are described in note 1 to these Financial Statements. The Financial Statements for the period ended 31 December 2019 have been prepared in accordance with FRS 101 and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas requiring a higher degree of judgement or complexity and no areas where assumptions and estimates are significant to the Financial Statements. Impairment of investments in subsidiaries was considered but is not an area where assumptions and estimates are significant to the Financial Statements because there are no indicators of impairment.

**Directors**

The directors who served during the year and up to the date of signing these Financial Statements are included in the table below.

<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>
Anderson, MS	01 September 2017	-
Cole, SG	01 April 2015	-
Cullens, AJ	01 July 2014	-
Todd, PNA	01 April 2015	-

**Indemnification of and insurance cover for directors and officers**

Directors and officers of the Company benefit from directors' and officers' liability insurance cover in respect of legal actions brought against them. In addition, directors of the Company are indemnified in accordance with Article 79 of the Company's articles of association to the maximum extent permitted by law, such indemnities being qualified third party indemnities. Neither the insurance nor the indemnities provide cover where the relevant director or officer has acted fraudulently or dishonestly.

**People Engagement**

This statement forms the 'Employee Engagement' statement for the Company required pursuant to The Companies (Miscellaneous Reporting) Regulations 2018. During the year, the Company met the minimum threshold required to report and this statement applies to the Company and its employing subsidiaries, where applicable.

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

**People Engagement (continued)**

Our people give us our competitive edge. We trust them to go above and beyond for the Group and our clients. Their individual talent and our collective expertise help us to exceed client expectations and meet our strategic objectives.

We review our human resources metrics regularly and, as part of this process, we consider a range of measures such as headcount, succession planning, retention rates and employee engagement. We also review progress against both our Group and sector people strategies, ensuring we are able to forecast the future skills and resourcing needs to support our growth plans.

During the year, the Group conducted a Viewpoint employee engagement survey to gauge the views of our people around the world (including in the UK). All employees were provided with the option, and [were therefore] encouraged, to undertake the survey. Following the conclusion of the survey, results were anonymously collated, and trends identified. The Company's directors and senior management formed working groups to discuss areas identified for improvement and held meetings with a diverse range of employees from all business units and sectors to further understand survey results and how the Company can further improve the working environment of employees. Following the formation of these working groups, various recommendations were made and implemented by directors and senior management.

**Political donations**

The Company made no political donations and incurred no political expenditure during the year ended 31 December 2019 (31 December 2018: £nil).

**Share capital**

Full details of the Company's issued share capital, including changes during the year, can be found in note 12 of these Financial Statements.

**Directors' statement of responsibilities**

The directors are responsible for preparing the Directors' and Strategic reports and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK 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.

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 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.

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

**Disclosure of audit information**

The directors confirm that, as at the date this report was approved, so far as each director is aware there is no relevant audit information of which the Company's independent auditor is unaware and that he has taken all the reasonable steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to ensure that the Company's independent auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

**Going concern**

The Company is a holding company with significant net assets, most of which are investments in subsidiaries. Most recent forecasts, including the impact of COVID-19 as discussed in the Strategic Report, are considered in assessing the recoverability of these investments and the value of these investments is considered reasonable. In addition, the Company should be able to operate within the level of its current facilities. As part of this review, the forecast impact of COVID-19 on the year ending 31 December 2021 was modelled for both this Company and its subsidiaries and downside scenarios included a repeat of the expected outcome of the COVID-19 impacted year ending 31 December 2020, which did not have a significant adverse impact on the liquidity of the Company or the wider Group which it heads. It is on this basis that the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and for at least a period of 12 months from the date of signing the financial statements, and therefore continue to adopt the going concern basis in preparing the financial statements.

**Independent auditor**

The Company's auditor, Deloitte LLP, has indicated its willingness to continue in office for a further year.

Approved by the board of directors and signed on its behalf by:



Louise McAllister  
Company Secretary  
13 October 2020

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**FAITHFUL+GOULD (HOLDINGS) LIMITED**

**Report on the audit of the Financial Statements**

**Opinion**

In our opinion, the Financial Statements of Faithful+Gould (Holdings) Limited (the Company):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework", and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements which comprise:

- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

**Basis of opinion**

We conducted our audit in accordance with the 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 Financial Reporting Council's (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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the Financial Statements and our auditor's opinion thereon. 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.

**FAITHFUL+GOULD (HOLDINGS) LIMITED  
COMPANY REGISTRATION NUMBER 02991351**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
FAITHFUL+GOULD (HOLDINGS) LIMITED (CONTINUED)**

**Other Information (continued)**

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 or apparent material misstatements, 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 respect of these matters.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 controls as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatements, 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 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 our responsibilities for the audit of the Financial Statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Report on other legal and regulatory requirements**

**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 period 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.

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

**FAITHFUL+GOULD (HOLDINGS) LIMITED  
COMPANY REGISTRATION NUMBER 02991351**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
FAITHFUL+GOULD (HOLDINGS) LIMITED (CONTINUED)**

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

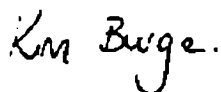
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

**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.



Kim Burge FCA (Statutory auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
15 October 2020

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £k	2018 £k
Income from shares in Group undertakings	5	2,902	-
<b>Profit before interest and tax</b>		<b>2,902</b>	<b>-</b>
Finance income	6	30	23
<b>Net finance income</b>	<b>6</b>	<b>30</b>	<b>23</b>
<b>Profit before tax</b>		<b>2,932</b>	<b>23</b>
Income tax expense	7	-	-
<b>Profit and total comprehensive income for the year attributable to the equity shareholders of the Company</b>		<b>2,932</b>	<b>23</b>

The notes on pages 12 to 18 are an integral part of these Financial Statements.

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £k	2018 £k
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	9	158	158
		<b>158</b>	<b>158</b>
<b>Current assets</b>			
Other receivables	10	3,343	3,313
		<b>3,343</b>	<b>3,313</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables	11	(940)	(940)
		<b>2,403</b>	<b>2,373</b>
<b>Net current assets</b>			
		<b>2,403</b>	<b>2,373</b>
<b>Net assets</b>			
		<b>2,561</b>	<b>2,531</b>
<b>Capital and reserves</b>			
Ordinary shares	12	1,115	1,115
Retained earnings		1,446	1,416
<b>Total equity</b>		<b>2,561</b>	<b>2,531</b>

The Financial Statements on pages 9 to 18 were approved and authorised for issue by the board of directors on 13 October 2020 and signed on its behalf by:



Simon Cole  
 Director

The notes on pages 12 to 18 are an integral part of these Financial Statements.

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Ordinary shares £k	Retained earnings £k	Total equity £k
Balance at 1 January 2018		1,115	1,393	2,508
Profit for the year		-	23	23
Total comprehensive income for the period		-	23	23
Balance at 31 December 2018		1,115	1,416	2,531
Profit for the year		-	2,932	2,932
Total comprehensive income for the year		-	2,932	2,932
Dividends paid	8	-	(2,902)	(2,894)
Total distributions to owners of the parent recognised directly in equity		-	30	38
<b>Balance at 31 December 2019</b>		<b>1,115</b>	<b>1,446</b>	<b>2,569</b>

The notes on pages 12 to 18 are an integral part of these Financial Statements.

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**1 Accounting policies**

The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is domiciled in England and Wales. The registered office is Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 1.

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the periods presented, including the application of new IFRSs standards and interpretations, unless otherwise stated.

**Basis of preparation**

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. These Financial Statements of the Company have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The Financial Statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas requiring a higher degree of judgement or complexity and no areas where assumptions and estimates are significant to the preparation of these Financial Statements. Impairment of investments in subsidiaries was considered but is not an area where assumptions and estimates are significant to the Financial Statements because there are no indicators of impairment.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under the standard. Where required, equivalent disclosures are given in the group financial statements of SNC-Lavlin Group Inc., which are available to the public and can be obtained as set out in note 13.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS101:

- IFRS 7, *Financial Instruments: Disclosures*
- Paragraphs 91 to 99 of IFRS 13, *Fair value measurement* (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraphs 30 and 31 of IAS 8, *Accounting policies, changes in accounting estimates and errors* (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- IAS 7, *Statement of cash flows*
- Paragraph 17 of IAS 24, *Related party disclosures* (key management personnel)
- The following paragraphs of IAS 1, *Presentation of financial statements*: 10(d) (statement of cash flows); 16 (statement of compliance with all IFRS); 38A (requirement for minimum of two primary statements, including cash flow statements); 38B-D (additional comparative information); 111 (cash flow statement information); 134-146 (capital management disclosures).

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

**1 Accounting policies (continued)**

**New standards, amendments and IFRIC interpretations**

IFRS 16 is the new accounting standard that is effective for the year ended 31 December 2019. The standard did not have any impact on the Company as the the Company had no leases.

**Going concern**

The Company is a holding company with significant net assets, most of which are investments in subsidiaries. Most recent forecasts, including the impact of COVID-19 as discussed in the Strategic Report, are considered in assessing the recoverability of these investments and the value of these investments is considered reasonable. In addition, the Company should be able to operate within the level of its current facilities. As part of this review, the forecast impact of COVID-19 on the year ending 31 December 2021 was modelled for both this Company and its subsidiaries and downside scenarios included a repeat of the expected outcome of the COVID-19 impacted year ending 31 December 2020, which did not have a significant adverse impact on the liquidity of the Company or the wider Group which its heads. It is on this basis that the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and for at least a period of 12 months from the date of signing the financial statements, and therefore continue to adopt the going concern basis in preparing the financial statements.

**Basis of consolidation**

The Company is an indirect wholly-owned subsidiary of SNC-Lavalin Group Inc., and is included in its consolidated Financial Statements, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under section 401 of the Companies Act 2006 and IAS 27, Consolidated and Separate Financial Statements.

**Dividend income**

Dividend income is recognised when the right to receive payment is established.

**Income tax**

Current and deferred income tax are recognised in the Income Statement for the period except where the taxation arises as a result of a transaction or event that is recognised in other comprehensive income or directly in equity. Income tax arising on transactions or events recognised in other comprehensive income or directly in equity is charged or credited to other comprehensive income or directly to equity respectively.

The Company is subject to tax and judgement is required in determining the Company provision for income taxes. The Company provides for potential liabilities in respect of uncertain tax provisions where additional tax may become payable in future periods and such provisions are based on management's assessment of exposures.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the Company operates and generates taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle balances on a net basis.

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

**1 Accounting policies (continued)**

**Investments in subsidiaries**

Investments in subsidiaries are stated at cost less impairments.

**Impairment of investments in subsidiaries**

The Company's investments are subject to impairment review both annually and when there are indications that the carrying amount may not be recoverable. The carrying value of each investment is compared to the recoverable amount, which is the higher of value in use and fair value less costs to sell.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and when there are indications that the carrying value may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows in cash-generating units (CGUs).

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Dividend distribution**

Dividend distribution to the Company's shareholder is recognised as a liability in the Financial Statements in the year in which the dividends are approved by the Company shareholder. Interim dividends are recognised when paid.

**2 Services provided by the Company's auditor**

The fee in respect of the auditing of the financial statements has been borne by another Group undertaking, and amounts to £10,141 (31 December 2018: £4,500). There was no specific recharge in respect of this charge.

**3 Employee benefit costs**

There were no employees during the year (31 December 2018: none).

**4 Directors' remuneration**

MS Anderson, SG Cole, AJ Cullens and PNA Todd are directors of a number of companies in the Group. The services provided by these directors to the Company, and to a number of other companies in the Group, are of a non-executive nature and therefore it is not possible to make an accurate apportionment of their emoluments in respect of each of the companies or their portion of normal staff cost.

None of the directors received any emoluments in respect of their qualifying services to the Company during the year (31 December 2018: none). The emoluments and key management compensation of these directors are borne by a fellow Group company.

None of the directors received contributions to a defined benefit or money purchase pension scheme (31 December 2018: none).

None of the directors exercised options over shares in SNC-Lavalin Group Inc. during the year to 31 December 2019 (31 December 2018: none).

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

**5 Income from shares in Group undertakings**

	2019	2018
	£k	£k
Dividends received from Group undertakings	2,902	-

**6 Net finance income**

	2019	2018
	£k	£k
Interest receivable on intercompany loans	30	23
<b>Net Finance income</b>	<b>30</b>	<b>23</b>

**7 Income tax expense**

**a) Analysis of charge in the year**

	2019	2018
	£k	£k
Current income tax		
- current year	-	-
- adjustment in respect of prior years	-	-
Income tax charged to income statement	-	-
Profit before tax per income statement	2,932	23
<b>Effective income tax rate</b>	<b>0.0%</b>	<b>0.0%</b>

**b) Factors affecting income tax rate**

The effective income tax rate for the year is lower (31 December 2018: lower) than the rate of corporation tax in the UK of 19% (31 December 2018: 19%). The differences are explained below:

	2019	2018	2019	2018
	%	%	£k	£k
UK statutory income tax rate	19.0	19.0	557.2	4.4
Decrease resulting from:				
Non taxable dividend income	(18.8)	-	(551.5)	-
Group relief surrendered for nil consideration	(0.2)	(19.0)	(5.7)	(4.4)
<b>Total tax</b>			-	-
<b>Effective income tax rate</b>	-	-		

The Finance Act 2016 included a provision to reduce the rate of corporation tax from 19% to 17% to take effect from 1 April 2020. However following the budget on 11 March 2020 the chancellor confirmed the rate would remain at 19%.

**8 Dividends**

An interim dividend of £2,902k (£2.603 per share) was paid during the year (31 December 2018: £nil). There is no proposed final dividend for the year ended 31 December 2019 (31 December 2018: £nil).

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

**9 Investments**

	2019	2018
	£k	£k
Cost at end of the period	179	179
Accumulated impairment at end of the period	(21)	(21)
<b>Closing net book value</b>	<b>158</b>	<b>158</b>

The directors consider that the carrying amounts of the Company's investments are not less than the value of the underlying assets.

**Subsidiary undertakings**

The following companies were the subsidiary undertakings as at 31 December 2019:

Name	Registered office/ principal place of business	Share class(es) held	% of share class/interests held
Confluence Project Management Private Limited <sup>1</sup>	G-3 T V Industrial Estate, 248/A S K Ahire, Marg, Worli, Mumbai, 400030, India	INR10.00 equity shares	100%
Faithful and Gould Limited <sup>1</sup>	13/F Wharf T&T Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong	HKD1.00 ordinary shares	100%
Faithful and Gould Project Management Limited <sup>1</sup>	13/F Wharf T&T Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong	HKD1.00 ordinary shares	100%
Faithful+Gould (Malaysia) SDN BHD <sup>1</sup>	Unit 1-17-1 Menara Bangkok Bank@Berjaya Central Park, No 105 Jalan Ampang, 50450 Kuala Lumpur,	RM1.00 ordinary share	100%
Faithful+Gould Limited	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England and Wales	£1.00 ordinary share	100%
Faithful+Gould Mexico S.A. de C.V. <sup>1</sup>	LLA Group, Homero No. 906, Colonia Polanca Reforma, C.P. 11550, Mexico D.F.	MXN ordinary-A	100%
Faithful+Gould Nigeria Limited <sup>1</sup>	Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria	NGN1.00 ordinary shares	100%
Faithful+Gould Project Management Pte. Ltd <sup>1</sup>	Unit 1-17-1 Menara Bangkok Bank@Berjaya Central Park, No 105 Jalan Ampang, 50450 Kuala Lumpur,	SGD1.00 ordinary share	100%
Faithful+Gould Pte. Limited <sup>1</sup>	8 Cross Street, #24-01, Manulife Tower, Singapore, 048424, Singapore	SGD1.00 share	100%

<sup>1</sup>. Owned by a subsidiary undertaking other than Faithful+Gould (Holdings) Limited.

The principal activity of all the subsidiaries is the provision of quantity surveying, cost engineering and project management.

The country of incorporation matches the country in which the registered office/principal place of business is located.

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

**9 Investments (continued)**

**Significant holdings**

The following companies were significant holdings as at 31 December 2019:

Name	Registered office/ principal place of business	Share class(es) held	% of share class/interests held
Faithful + Gould Project Management LLC <sup>1</sup>	Office No.21, 19th Floor, Al Gaith Tower, Hamdan Street, P.O.Box 33538, Abu Dhabi, United Arab	AED 1,000 ordinary share	49%
Faithful&Gould Qatar LLC <sup>1</sup>	P.O.Box 23443, Qatar	QAR1,000 ordinary share	49%
Faithful+Gould Saudi Arabia Limited <sup>1</sup>	P.O.Box 56684, Riyadh 11584, Saudi Arabia	SAR 1,000 ordinary share	46%

<sup>1</sup>. Indirectly held.

The principal activity of all the significant holdings is the provision of quantity surveying, cost engineering and project management.

**10 Other receivables**

	2019	2018
	£k	£k
Other receivables	21	21
Loans due from fellow Group undertakings	1,446	1,416
Amounts due from fellow Group undertakings	1,876	1,876
	<b>3,343</b>	<b>3,313</b>

Loans due from fellow Group undertakings are unsecured, interest bearing and are repayable on demand.

Amounts due from fellow Group undertakings are unsecured, interest free and have no fixed date of repayment.

**11 Other payables**

	2019	2018
	£k	£k
<b>Current liabilities:</b>		
Amounts due to fellow Group undertakings	879	879
Amounts due to subsidiary undertakings	61	61
	<b>940</b>	<b>940</b>

Amounts due to fellow Group undertakings and subsidiary undertakings are unsecured and interest free. There is no fixed date of repayment but are repayable upon demand.

**FAITHFUL+GOULD (HOLDINGS) LIMITED**  
**COMPANY REGISTRATION NUMBER 02991351**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

**12 Ordinary shares**

	2019		2018	
	Number of shares	£k	Number of shares	£k
Issued, allotted, authorised and fully paid ordinary shares of 1p each				
At 1 January and at 31 December	1,115,000	1,115	1,115,000	1,115

No shares were allotted during the current or prior period.

**13 Ultimate parent undertaking and controlling party**

SNC-Lavalin Group Inc. was the Company's ultimate parent undertaking and controlling party at 31 December 2019. The immediate parent undertaking is Broomco (985) Limited. SNC-Lavalin Group Inc. headed the largest and smallest group of undertakings for which Group financial statements are drawn up and of which the Company is a member.

SNC-Lavalin Group Inc. has its registered office at:

455 Boul. René-Lévesque West  
 Montréal  
 Québec  
 Canada  
 H2Z 1Z3

Copies of the annual report and financial statements for SNC-Lavalin Group Inc. are available at [www.snc-lavalin.com/en/investors](http://www.snc-lavalin.com/en/investors)

Broomco (985) Limited has its registered office at:

Woodcote Grove  
 Ashley Road  
 Epsom  
 Surrey  
 KT18 5BW  
 England

Copies of the annual report and financial statements for Broomco (985) Limited are available from the company secretary at the address above.

**14 Subsequent events**

The COVID-19 Pandemic did not impact the Company during the financial year ended 31 December 2019 and is a non-adjusting subsequent event. It is not expected to have an impact during the financial year ending 31 December 2020 given the Company acts primarily as an investment holding company. Further details are disclosed in the Strategic Report included as a part of these financial statements.