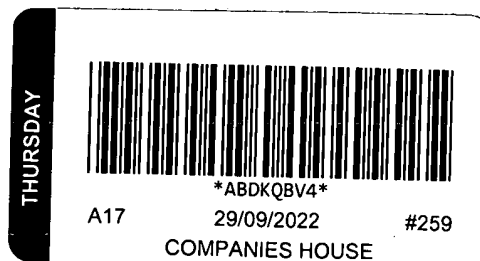


Company Registration No. 08729615 (England and Wales)

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

COMPANY INFORMATION

Directors	BS Read S Robinson J Simpson	(Appointed 22 April 2021) (Appointed 22 April 2021)
Company number	08729615	
Registered office	1st Floor Russell House Regent Park 297 Kingston Road Leatherhead Surrey KT22 7LU	
Auditors	Ernst & Young LLP Grosvenor House Grosvenor Square Southampton SO15 2BE	
Bankers	Bank of America 2 King Edward Street London EC1A 1HQ	

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

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BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present the strategic report for the year ended 31 December 2021.

Review of the business

Brand Energy & Infrastructure Services UK, Ltd. (BEIS UK or the Company) is structured and managed by line of business. The businesses are engaged primarily in the supply of contract services, equipment rental and sale to the UK industrial and construction sectors across three core businesses:

- Industrial Maintenance Services
- Commercial Scaffolding, Mechanical Access and Hoists
- Forming and Shoring

The Company has a branch network covering the whole of the UK and certain overseas markets via a dedicated export office. BEIS UK provide integrated specialty services to key market segments: Oil & Gas, Power Generation, Civil & Infrastructure and Commercial Construction sectors. The extensive portfolio of service offerings includes Work Access, Coatings, Insulation, Forming & Shoring, Mechanical Services and other related crafts. The Company is part of a group known as BrandSafway headed by Brand Industrial Holdings, Inc. The BrandSafway group operate in approximately 360 locations in 30 countries around the globe to circa 30,000 customers generating annual turnover of around USD5bn through a workforce of over 40,000 people. Further information is available in note 27.

The financial performance of each business is monitored on a monthly basis against budgets and forecasts with a focus on turnover, gross profit and EBITDA. Product utilisation is monitored and reviewed regularly to maximise the financial return of capital investment. There are regular reviews to ensure that strict KPI targets are met on cash collections, free cash flow and debtor days. In addition, dedicated functional resources provide support to each line of business in safety, environment, quality, engineering, accounting, procurement, marketing, IT, human resources and payroll.

Business Performance Review

Turnover for the year ended 31 December 2021 was £145.2m, an increase of 4.2% from the prior year mainly due to the easing of COVID restrictions and underlying growth in rentals. Gross Profit for the year was £36.9m at a margin of 25.4% (2020: 18.8%). The reduced gross profit in the prior year was predominantly due to £6.9m Covid-19 support income from government grants for direct cost employees included within operating income, whereas the related costs for direct cost employees are included in cost of sales. The government support amounts were not repeated in 2021.

Other operating costs, net of other operating income, sum to £32.5m, an increase from the prior year (2020: £25.8m) mainly due to the total Covid-19 support income from government grants of (£7.9m) in 2020, not repeated in 2021.

The industrial services business has continued to focus on the key offshore market sector. A major contract win has continued to deliver at expected levels, this contract has a number of years still to run and expectations are that this will continue very positively. We maintain focus on the core markets in oil and gas whilst also delivering a strong and profitable service in the on and offshore renewable business, this is a key focus area for significant growth in the coming years.

The onshore business has successfully rebalanced its contract portfolio. Key contract awards have been forthcoming, showing strong contribution margins. The forward orderbook remains strong, balanced and growing.

The UK commercial business saw an increase in revenue over 2020, due to the easing of COVID restrictions throughout the year. That said, COVID remained a factor in performance in the latter part of the year. Whilst not having a material effect on the availability of craft labour, operations were challenged by:

- the availability of materials, and
- a mix of customer requirements at site (some sites operating slower due to COVID-related delays and others increasing productivity to catch-up from previous delays).

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2021 saw a very solid performance in the forming & shoring business, despite market conditions continuing to be very difficult. Overall rental was down on prior year which was driven by the conclusion of a major project in Ireland but underlying rental growth in other areas of the UK & Ireland business was strong. The key challenges in rental were continuing COVID restrictions including a Q1 lockdown in Ireland, delays in customer projects and issues on both cost and availability relating to labour, materials and transport. There was excellent development in the sales business on prior year, including a very strong performance with key customers in the final quarter. Rental and sales margins held at a good level in spite of market pressures. As expected, overhead and SGA costs increased with COVID restrictions easing and normal operating conditions returning to the business.

Going forward into 2022 the business is well positioned to take advantage of strong opportunities in rental and sales but significant market challenges remain with global supply chain issues, rising costs in transport, energy and metal prices as well as the lasting effects of the pandemic and the political situation in Eastern Europe. The business is acting to meet these challenges and perform strongly in the UK & Ireland market in 2022.

As at 31 December 2021 BEIS UK had net current liabilities of £6.5m (2020: £27.0m) and net assets of £49.6m (2020: £49.9m) (excluding £2.5m (2020: £5.4m) NBV of negative goodwill). Net current liabilities have decreased from 2020 mainly due to decreased intercompany balances.

The current ratio as at 31 December 2021 is 0.9 which is improved from 2020 (2020: 0.6) mainly due to lower current intercompany liabilities. Trade debtor balances as at 31 December 2021 were £27.7m (2020: £28.4m).

At BEIS UK, Environment, Health and Safety (EHS) are an integral part of the Company's DNA. We take all aspects of safety extremely seriously and ensure it remains a core value of all of our team members and remains at the forefront of everything we do.

To underpin our safety-first ethos, we have a number of SHEQ programs and initiatives to drive continual improvement. These initiatives stem from the "5 Pillars of Safety" program which gives BEIS UK a solid foundation from which we build our SHEQ Culture within the Company.

These tools, which range from visible leadership in the field through to the Management Safety Review audit program to behavioural observations through the Supervisors Observation System and the online training system, the BrandSafway Learning Network, which all employees have access to 24/7, allow us to build a safety culture that reflects the values and beliefs of the Company and BrandSafway as a whole. We have many programs that help us to sustain this culture, the Stop Work Obligation which empowers any employee to stop work if they feel the task/environment are unsafe without fear of retribution, and the Employee Intervention System allows employees to formally submit suggestions to continually improve the working areas. All of the above programs and the commitment by BrandSafway employees to work safely, continually improve and treat safety as the number one priority allowed us to maintain a continuously low Accident Frequency Rate (AFR) over several years with an AFR in 2021 of 0.11.

Our SHEQ commitment is underpinned by our Life-Saving Rules which are our key focus areas to ensure that the high risk activities are effectively managed and controlled such that they are always carried out safely.

We are moving to focus on Behavioural Safety and embarking on a program to further improve our safety performance and build on the Safety 24/7 supervisor led initiatives that we have already adopted. We have also introduced a successful positive recognition program to recognise and reward safe practice and those who go above and beyond at work.

BEIS UK are committed to continual improvement. Through our ISO 45001, 14001 and 9001 accreditations we ensure that we learn from historical events to further improve in the future.

BEIS UK are committed to improving the environment. Details of this can be found in the new streamlined energy and carbon reporting section of the Directors Report on page 9.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors believe BEIS UK has a very positive future. The Company's cost base is aligned to the levels of operational activity and there is a well organised and experienced organisational structure in place.

Section 172 Statement

The Company recognises that strong corporate governance is crucial to safeguarding the key stakeholders in the business. Satisfying all stakeholder goals will underpin long-term value creation and foster the Company's resilience. In line with their duties under s172 of the Companies Act 2006, the Board of Directors act in a way they consider to be most likely to promote the success of the Company for the benefit of its stakeholders as a whole, and in doing so have regard to a range of matters. These include:

- the interests of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers and others and maintain a reputation for high standards of business conduct,
- the need to meet parent entity expectations and regular communication to ensure a consistent approach to business throughout BrandSafway and utilise all advantages of the corporation to benefit stakeholders,
- the need to act fairly between stakeholders in the company,
- the likely consequences of any decision in the long-term.

The board consider all key stakeholders at regular monthly meetings specifically in relation to the following;

- Safety, Health, Environment and Quality – Working safely for all stakeholders (employees, clients, supply chain and local communities).
- Customer Focus – Integrated service delivery.
- Engagement with Employees - Staff/Diversity/Inclusion/Ethics (ensuring employee stakeholders are engaged with fairly and are focused on each month at a senior level).
- Supply Chain & Purchasing – Transparency and vetting of manufacturers.

Safety, Health, Environment and Quality

We understand the value of our people, our customers, third parties and the public's safety and we strive to make a positive impact on those people to help ensure that everyone goes home in the same or better shape every day and that no one gets hurt, ever. We strive to set the standard in our industry by continuously improving our safety performance and firmly believe safety drives efficiency and productivity. Getting operatives to adopt safety as a personal value on every job is vital to achieving this, as is our unwavering commitment to training and embedding a safety leadership culture to the benefit of all of our stakeholders.

The Company commitment and policy on Safety, Health, Environment and Quality (SHEQ) and the organisations Social Policy applies throughout the Company and is designed to protect people and the environments within which we work. We relentlessly pursue our goal of 'zero incidents', our safety goal is to achieve no harm to people, plant, process or the environment across all of our operations.

Customer Focus

We value the mutually beneficial relationships we have grown with clients and a key part in developing these relationships is listening to what they need and want. We seek to ensure we deliver on their requirements and source customer views via various channels including:

- engagement with all our customers throughout the procurement and decision-making process – gaining and listening to feedback.
- satisfaction surveys to obtain insights into successes and improvement areas.
- benchmarking exercises covering what we offer against the market and how we can continue to adapt.
- trade show attendance to stay well-informed of developing trends.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Through supporting our customers' maintenance, turnaround and refurbishment needs – as well as new construction, capital-driven upgrades and expansion plans – our customer touch points can be extensive. We will often engage with various departments, aligning individuals with the most appropriate support network where applicable, for example: customer SHEQ representatives with internal SHEQ personnel. This enables individual stakeholders within the customers network to have specific requirements met and expanded upon.

We are large enough to leverage economies of scale to increase safety and productivity, while also nimble and responsive. And as such, we are capable of delivering unmatched service with local labour and focused management. We are trusted by our clients to provide innovative solutions and services and always aim to be a long-term partner of choice. Meeting the increasing demand for productivity is a challenge with fast track industrial, infrastructural and construction projects under massive pressure to meet stricter deadlines. But our investment in our people and our systems are helping to improve productivity rates all the time, with quicker programs being achieved, all with a zero-tolerance approach to compromising our market-leading approach to Health & Safety. Recent examples of providing productivity advantages to customers include the roll out of our patented QuikDeck® suspended access solution reducing erect and dismantle time by up to 50% and implementation of our digital platforms MAP (Managed Access Program), BrandNet (scaffold design, estimation modelling software) and SmartTag (scaffold management and tracking software).

For global major project opportunities we have developed a collaborative approach with our sister companies across the group, to ensure we leverage full product and service capabilities, customer relationships, safety management teams and proof of performance credentials in the design and delivery of safe innovative solutions. As we grow our business through the addition of new products and services, we have made a conscious effort to move away from sectors of a cyclical nature and develop relationships with blue chip clients with longer term major project portfolios under our National Account Strategy. This allows us to engage in early collaboration with those clients and leverage the full value of our safety and productivity enhancements along with increased revenue from the bundling of our full range of solutions. This strategy will be further enhanced by the UK governments long-term economic stimuli approach to transport infrastructure, nuclear energy and offshore renewable projects and we are adding national account leadership roles to support and develop our key accounts.

Engagement with Employees

The Company recognises that it has an important role in assessing and monitoring that our desired culture is embedded into the values, attitudes and behaviours we demonstrate and portray in all our activities and stakeholder relationships.

The Company has established honesty, integrity and respect for people as its core values. Our general business principles, Code of Conduct, and Code of Ethics are in place to aid everyone within the Company to act in line within these values and to comply with relevant laws and regulations and stringent measures are maintained to ensure awareness. We strive to maintain a diverse and inclusive culture.

The Company considers our People Survey to be one of its principal tools to measure employee engagement, motivation, affiliation and commitment to the Company. It provides us with insights into the employee's views. Our communication with our employees and the communication back to those who participate, is imperative to ensure consistency in response rate. The Company can then utilise this engagement to understand how survey outcomes are leveraged to strengthen our culture and realign core values.

We work to attract, develop and retain the best talent within the Company, and ensure they are equipped with the right skills for the future. Our people have a critical role in delivering against our strategy and creating value. In addition, we ensure systems and processes are in place for succession, evaluation and compensation.

Training programmes are in place to maintain craft level qualifications in addition to upskilling opportunities, development of the next generation via Trainee programmes and Apprentice training schemes, providing foundation level and higher levels throughout the core functions and support functions across the Company.

Our employees champion health and well-being through various initiatives including Offshore Survival training, First Aid and Mental Health Awareness, which is critical and specific within the industry we operate. Employees are trained in Mental Health / First Aid to support colleagues, business processes and reaffirm our core values in demonstration and support of each other.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Company also provides a funded Employee Assistant Programme which offers all employees confidential counselling and advice on a wide range of work and personal issues. It is a core component of the organisation's risk and absence management strategy. We believe in open dialogue with line managers and integrity being key. We are open to two-way communication and provide employees an option to flag concerns confidentially using the BrandSafway Ethics Point Hotline.

Supply Chain & Purchasing

It is the policy of BrandSafway International Supply Chain team to work closely with key manufacturers and suppliers when purchasing goods and services to meet the needs of the broader business. This is achieved through due consideration of quality, cost, timeliness, technical suitability, commercial and legal risk, and through professional and ethical relationships with all suppliers. We have a strong system of Supplier Audits for key fleet equipment purchases, where we monitor and assist the supplier to maintain quality standards, as this builds in a safety factor for products, especially when working at height. We have numerous distributors who assist our business for ancillary and consumable products and who we look to during product selection to ensure we are constantly utilising the safest products available for our workforce.

In turn, and as we work with our suppliers to resolve queries, we have implemented strong internal controls around P2P (process to pay) which allows the timely production of purchase orders, receipting of goods, and payment to our supply chain partners.

The International Supply Chain team is further responsible for recommending change which will improve the daily effectiveness of the running of contracts and systems around the business. These actions will be approached from both suppliers' and end-user experience point of view, to ensure all businesses can benefit from working with smarter contracts.

We make the following commitments to our suppliers as part of any new tender or contract renewal process, as well as ongoing daily business:

- to run a fair and clean tender, and where applicable have senior stakeholders from the business involved to ensure the right fit,
- paying on time, and making it easier for the supplier to raise queries to resolve problems in a timely manner,
- regular performance reviews with key suppliers, detailing all aspects of contract performance by gaining business feedback and KPI's from the contract, and to give the supplier the opportunity to do the same with BrandSafway,
- provide on an annual basis key strategy points for the next year deliverables, and seek assistance from suppliers to help achieve these goals,
- have a clear supplier Code of Conduct over and above the BrandSafway Code of Conduct, with explicit instructions for the behaviours we try to encourage whilst working together.

As a result of Covid-19, the UK's departure from the EU, and the ongoing conflict in Ukraine, the International Supply Chain team has been facing additional delays against standard lead times, raw material shortages, and shipping & freight constraints – all of which requires a step up in multiple organisational activities and the International Supply Chain department managing associated wider issues.

In addition to the stakeholder considerations the Board also consider the following at these regular meetings;

- **Financial/Project review** – The performance analysis for the shareholders to review whether the business is successfully delivering for the other stakeholders and the company itself.
- **Other items** - Capital expenditure/IT/Property and miscellaneous items.

The Board, consider each stakeholder during their decision making process. Many day-to-day decisions are delegated by the Board of Directors to each line of business which are all led by a Director. The relevant Director will collaborate with the wider Board depending on the size and gravity of the decision.

Key decisions will be made via business cases presented to the Board for agreement. These business cases are expected to have considered the business stakeholders as part of the proposal. To achieve this, engagement with stakeholders is pivotal to understand their requirements.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

An example of a key decision taken in 2021 by the management team was to focus on more profitable contracts in the industrial sector. This has been seen particularly in our onshore business who have successfully rebalanced its contract portfolio. Key contract awards have been forthcoming, showing strong contribution margins.

Risk Management

The Company's operations expose it to a variety of financial risks that include liquidity risk, interest rate cash flow risk, credit risk, economic risk and exchange risk.

Liquidity risk

The Company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Company has sufficient liquid resources to meet the operating needs of the business. In order to mitigate liquidity risks the Company operates within a group treasury function who pool funds and provide finance where required from fellow group entities.

Interest rate cash flow risk

The Company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating deposits, bank overdrafts and loans. In order to mitigate interest rate cash flow risk the Company operates within a group treasury function who pool funds resulting in a lower overall interest charge for the whole group.

Credit risk

All customers who wish to trade on credit terms are subject to credit verification procedures. The amount of any exposure to any individual counterparty is subject to a limit which is reassessed at least annually by key management personnel. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary. Credit risk is therefore mitigated by the Company not offering credit terms to customers who fail the credit verification procedure and by not extending further credit to customers who have reached their credit limit subject to any legal restrictions.

Economic risk

The Company is exposed to risks associated with the industrial output, construction industry and the UK economy as a whole. In order to mitigate this risk, the Company operates across all of the industrial and construction markets including the oil & gas, power generation, civil & infrastructure and commercial construction sectors. Other risks and uncertainties are integrated with the principal risks of the BrandSafway group and not managed separately.

Exchange risk

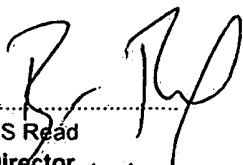
The Company is also exposed to foreign exchange risks arising from transactions in currencies other than the Company's presentation currency. The Company's policy is to hedge foreign exchange risks by entering into forward currency contracts for these transactions or where the FX exposure does not have a natural hedge within the group.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

On behalf of the Board


BS Read
Director
27/1/22

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Principal activities

The principal activities of the Company are the supply of industrial craft services, forming and shoring, access and related products and services for contracting, equipment rental and sale to the industrial and construction markets in the United Kingdom.

Results and dividends

The results for the year are set out on page 18.

No dividends were paid during the year.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C McGalpine	(Resigned 22 April 2021)
BS Read	
J Maskell	(Resigned 26 July 2021)
M Herke	(Resigned 22 April 2021)
S Robinson	(Appointed 22 April 2021)
J Simpson	(Appointed 22 April 2021)

The Company provides protection for its directors from liability.

Supplier payment policy

The Company's current policy concerning the payment of trade creditors is to:

- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Company's contractual and other legal obligations.

Creditor days of the Company at the year end were equivalent to 49 days (2020: 55) purchases, based on the average daily amount invoiced by suppliers during the year.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Company continues and that the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The Company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

The auditor, Ernst & Young LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Energy and carbon report

At BEIS UK, in respect to the activities we can control or expect to have reasonable influence over, we recognise our responsibility for protecting the environment and are committed to the prevention of pollution and to complying with the applicable environmental legal and regulatory requirements. We are dedicated to making a difference in the workplace and the world at large. We track and review our energy use to identify ways to conserve energy and improve efficiencies to directly lower our greenhouse gas emissions. We are also committed to conserving natural resources by reusing and recycling materials and pursuing waste minimisation opportunities. Our operations dispose of all hazardous and non-hazardous waste in an environmentally responsible manner, and they understand that in the long-term, environmentally sustainable practices are good for us, our customers, employees, shareholders and communities.

All the products we use in our day-to-day business have an extended life cycle, with the exception of timber products which are used for scaffold boards. Our scaffold boards are purchased from carefully selected suppliers, each of whom can confirm that their products are from renewable and environmentally well-managed sources. We continually monitor the progress of our top twenty suppliers of access equipment to establish that they are all working towards accreditation to BSEN14001. Wherever possible we also ask our suppliers for their 'Green Option' e.g., our office consumables supplier has a 'Green' catalogue, and all members of staff are encouraged to order from this book. All timber has a traceable 'Chain of Custody'.

All our access equipment is designed for extended life and requires little maintenance. The hire principle means that the equipment is sent to the customer and then returned to us for re-use, saving manufacturing which affects the environment. We generate minimal waste from our process when related to access (scaffold or mechanical). This is due to product re-use and only scrapping items after full inspection in the branch to deem it no longer fit for use. When this happens, the metal is sent to the scrap merchant to be recycled and, in many cases, we send the boards to power stations from pre-approved branches depending on its project usage.

The Company is accredited to ISO 14001 and operational locations segregate waste at source to minimise cross contamination and recycle whenever possible. The Company remains committed to minimising its emissions to air. One example of this is that the BEIS UK Commercial Scaffolding fleet is accredited to the Fleet Operator Recognition Scheme (FORS) where we monitor our fleet emissions and look to reduce those emissions year on year by operating more fuel efficient, less polluting vehicles, monitoring vehicles speed and improving our load and routing management.

Our environmental working group works to create and implement our climate initiative procedures. By having a representative from each area of our business, we are able to share best practice and disseminate the environmental findings clearly and efficiently.

Management is committed to addressing concerns about climate change and the environment. Reducing emissions creates efficiencies, drives innovation, helps manage long-term risk and improves our competitive advantage. The energy usage presented below covers vehicles including HGVs, vans and cars that the Company employees use to carry out the Company's activities. The Company has many electric and hybrid cars and forklifts within our fleet and are looking to increase this as the range increases. We also have plant running on vegetable oil. In addition, below contains the gas and electricity usage at each of the Company's 24 sites which again we look to minimise where possible. The Company's carbon footprint for this financial year is presented as follows:

Aggregate of energy consumption in the year	2021	2020 restated
<i>Energy consumption</i>	kWh	kWh
- Gas combustion	597,549	736,406
- Electricity purchased	1,657,711	1,683,979
- Fuel consumed for transport	20,097,409	15,989,505*
	22,352,669	18,409,890*
<i>Emissions of CO2 equivalent</i>	Metric tonnes	Metric tonnes
Scope 1 - direct emissions		
- Emissions from gas and fuel for fleet vehicles	5,850	4,840*

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Indicator	2021	2020 restated
Energy Consumption (kWh)	22,352,669	18,409,890*
Energy Intensity Ratio (kWh per £'000 revenue)	153.91	132.09*
Energy Intensity Ratio (kWh per employee)	12,221.25	8,971.68*
Greenhouse Gas Emissions (Tonnes CO2e)	5,850	4,840*
Greenhouse Gas Intensity Ratio (Tonnes CO2e per £'000 revenue)	0.040	0.035*
Greenhouse Gas Emissions (Tonnes CO2e per UK employee)	3.199	2.359*

* restated numbers from 2020 due to improved measurement techniques that identified an error in prior year that has now been rectified. The prior year financial statements stated a fuel consumed for transport figure of 99,337 kWh and other measures have subsequently been recalculated and restated.

The increase year on year is in fuel consumed for transport caused principally by the impact of COVID. 2020 saw a number of months in lockdown whereas 2021 has seen a return to a more expected level of activity.

Methodology

The above emissions disclosures have been prepared in accordance with the provisions of the 'GHG Reporting Protocol - Corporate Standard', HM Government 'Environmental Reporting Guidelines including streamlined energy and carbon reporting guidance' issued March 2019 and the Greenhouse gas reporting: conversion factors published June 2021. Emissions for all our significant sites have been disclosed. This includes our offices, operating sites, stock yards, and managed storage facilities.

The property usage has been calculated based on the data available from utility tracking devices.

Estimation techniques have been applied to calculate our vehicle energy usage. It has been calculated based on the business mileage data available for vehicles using fuel cards and assumptions made regarding other similar vehicles. We have then applied the UK Government GHG Conversion Factors for Company Reporting to calculate the above Tonnes CO2 equivalent. Emissions from this activity are not significant compared to our properties but the company intends to improve and track usage across the entire business more accurately in future reporting years.

The intensity ratio's disclosed are used as we believe they best represent the energy usage given the activities and nature of the Company.

Scope 1 comprises direct emissions from the Company's owned and controlled plant and equipment released straight into the atmosphere. These include natural gas, gas oil, and fuel.

Scope 2 and 3 reporting requirements comprise energy and other indirect emissions that are not directly controlled by the Company. These are not applicable to the Company given the nature of our activities and energy usage.

Statement of disclosure to auditor

Each of the directors' at the date of approval of this annual report confirms that:

- so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

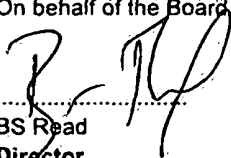
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Going concern

The directors have performed a full review of the trading in 2021 of BEIS UK, particularly in light of the impact of COVID-19, the conflict in Eastern Europe, the supply chain difficulties experienced by many as well as the current macroeconomic environment and considered plausible downside scenarios as well as the expected performance improvement from the actions taken in the year. 2021 has seen the Company return to pre-pandemic levels of trading and the directors are confident the business is well positioned to benefit from the improved economic environment. In addition the directors have obtained confirmation that the Company has the continued support for a period up to September 2023, 12 months from the date of signature of these financial statements being the going concern assessment period, from its ultimate parent undertaking due to the intercompany loans BEIS UK has from its parent and its subsidiary undertakings. The directors assessed the ultimate parent's ability to provide that support based on trading in 2021 and their access to funds. Through this detailed review the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the annual report and accounts.

On behalf of the Board



.....
BS Read
Director

Date: 27/9/22

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 Financial Reporting Standard FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). 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 for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 102, 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 appropriate to presume that the company will not 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 company 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.

Under applicable law and regulations, the directors are also responsible for preparing a directors' report, that complies with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

Opinion

We have audited the financial statements of Brand Energy & Infrastructure Services UK Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, the Statement of Total Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes 1 to 27 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue. being September 2023, the going concern assessment period.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

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 Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

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. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those related to the reporting framework (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006 and the relevant tax compliance regulations in the UK. In addition, the company is required to comply with laws and regulations relating to normal business operations, including, data protection, anti-bribery and corruption and employee's health and safety.
- We understood how the company is complying with those frameworks by making inquiries of management; those charged with governance; those responsible for legal and compliance; and the Company Secretary to understand how the company maintains and communicates its policies and procedures in these areas and corroborated this by review of board minutes held and any correspondence received from regulatory bodies; verifying the employee policies and communications with the employees including review of the employee handbooks. We also reviewed correspondence with HMRC regarding tax compliance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk. Our procedures to address management override involved testing journals identified by specific risk criteria that are pertinent to the company's risk profile. We tested specific transactions back to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions to ensure the company complied with relevant accounting treatment and legal requirements. We incorporated data analytics into our testing of manual journals, including segregation of duties, and into our testing of revenue recognition. Revenue is a key value driver for the business as a whole and is one of the key performance indicators used to measure the performance of the business. There is therefore a risk that revenue is recognised prematurely, fictitiously, or without the associated cost of goods sold around the year end. The company sells or rents equipment under month-to-month rental contracts, which are billed monthly, and provides services under both fixed-fee and time-and-materials short-term contracts. The company also enters into certain short-term contracts that may provide for multiple deliverables to a customer. The company identifies all project-related services that are to be provided and allocates revenue to each deliverable based on relative fair values. Depending on the timing of agreed upon billing at any period-end, the company must make adjustments to revenue for items billed in advance of the relevant service or rental (deferred revenue) and for service or rental provided for which billing has not yet occurred (accrued revenue). For revenue recognition we tested the company's income to sufficient audit evidence for the discharge and delivery of goods or contract services and vouched these to subsequent cash receipts from customers as external sources of evidence. We also assessed revenue cut-off by testing transactions recorded before and after the year end on a sample basis by vouching to invoices and proof of delivery to confirm these have been recorded in the correct period.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. These involved enquiries of management, those charged with governance, and the Internal counsel. We also reviewed the board minutes to identify any non-compliance with laws and regulations. Our procedures had a focus on compliance with the accounting framework through walkthrough testing and obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation including any regulatory compliance requirements.

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

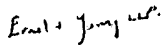
BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

Use of our report

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

DocuSigned by:

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James Harris (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Southampton

Date: 28 September 2022

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

		31 December 2021 £'000	31 December 2020 £'000
	Notes		
Revenue	3	145,235	139,370
Cost of sales		(108,373)	(113,108)
Gross profit		36,862	26,262
Distribution costs		(5,917)	(6,330)
Administrative expenses		(35,807)	(36,286)
Other operating income	4	9,223	16,826
Operating profit	5	4,361	472
Income from shares in group undertakings	9	-	59
Interest receivable and similar income	9	-	3
Finance costs	10	(2,487)	(2,511)
Profit / (loss) before taxation		1,874	(1,977)
Tax charge on profit on ordinary activities	11	(438)	(72)
Profit / (loss) for the financial year		1,436	(2,049)

The income statement has been prepared on the basis that all operations are continuing operations.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £'000	2020 £'000
Profit / (loss) for the year		<u>1,436</u>	<u>(2,049)</u>
Other comprehensive gain / (loss)			
Actuarial gain/(loss) on defined benefit pension schemes	20	1,501	(105)
Deferred tax relating to other comprehensive income	21	(353)	-
Other comprehensive gain / (loss) for the year		<u>1,148</u>	<u>(105)</u>
Total comprehensive profit / (loss) for the year		<u>2,584</u>	<u>(2,154)</u>

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£'000	£'000	£'000	£'000
Fixed assets					
Goodwill	12		33,747		818
Negative goodwill	12		(2,466)		(5,426)
Net goodwill	12		31,281		(4,608)
Other intangible assets	12		445		853
Property, plant and equipment	13		66,182		63,032
Investments	14		-		57,000
			97,908		116,277
Current assets					
Inventories	16	4,319		3,625	
Trade and other receivables falling due within one year	17	32,477		32,479	
Trade and other receivables falling due after one year	17	16		25	
Cash at bank and in hand		3,164		6,680	
		39,976		42,809	
Current liabilities	18	(46,478)		(69,828)	
Net current liabilities			(6,502)		(27,019)
Total assets less current liabilities			91,406		89,258
Non-current liabilities	18		(36,771)		(37,064)
Provisions for liabilities			(7,551)		(7,694)
Provisions	19	6,311		5,930	
Deferred tax liability	21	2,390		1,418	
Defined benefit pension (asset)/liability	20	(1,150)		346	
Net assets			47,084		44,500

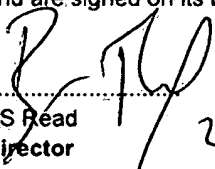
BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2021

	Notes	2021 £'000	£'000	2020 £'000	£'000
Equity					
Called up share capital	22		-		-
Share premium account	22		3,545		3,545
Capital contribution account	23		30,000		30,000
Pension reserves	20		80		(1,068)
Retained earnings			13,459		12,023
Total equity			<u>47,084</u>		<u>44,500</u>

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


.....
BS Read
Director
Company Registration No. 08729615

27/12/22

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Called up share capital £'000	Share premium contribution account £'000	Capital contribution account £'000	Pension reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020		-	3,545	30,000	(963)	14,072	46,654
Year ended 31 December 2020:							
Total loss for the year		-	-	-	-	(2,049)	(2,049)
Remeasurement loss recognised on defined benefit pension scheme	20	-	-	-	(105)	-	(105)
Balance at 31 December 2020		-	3,545	30,000	(1,068)	12,023	44,500
Year ended 31 December 2021:							
Profit for the year		-	-	-	-	1,436	1,436
Deferred tax relating to other comprehensive income	21	-	-	-	(353)	-	(353)
Remeasurement gain recognised on defined benefit pension scheme	20	-	-	-	1,501	-	1,501
Balance at 31 December 2021		-	3,545	30,000	80	13,459	47,084

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Brand Energy & Infrastructure Services UK, Ltd is a limited company incorporated in England and Wales. The registered office is 1st Floor, Russell House, Regent Park, 297 Kingston Road, Leatherhead, Surrey, KT22 7LU.

1.1 Basis of preparation

The Company's financial statements have been prepared under the historical cost convention and in compliance with FRS 102, the Financial Reporting Standards applicable in the UK and Ireland and the Companies Act 2006.

The financial statements of Brand Energy Infrastructure Services UK, Ltd were authorised for issue by the Board of Directors on the date mentioned on the Statement of Financial Position and are prepared in Pound Sterling which is the functional currency of the company and rounded to the nearest £'000.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Brand Industrial Services, Inc. These consolidated financial statements are available from its registered office, 1325 Cobb International Drive, Suite A-1, Kennesaw, Georgia 30152, USA.

1.2 Going concern

The directors have performed a full review of the trading in 2021 of BEIS UK, particularly in light of the impact of COVID-19, the conflict in Eastern Europe, the supply chain difficulties experienced by many as well as the current macroeconomic environment and considered plausible downside scenarios as well as the expected performance improvement from the actions taken in the year. 2021 has seen the Company return to pre-pandemic levels of trading and the directors are confident the business is well positioned to benefit from the improved economic environment. In addition the directors have obtained confirmation that the Company has the continued support for a period up to September 2023, 12 months from the date of signature of these financial statements being the going concern assessment period, from its ultimate parent undertaking due to the intercompany loans BEIS UK has from its parent and its subsidiary undertakings. The directors assessed the ultimate parent's ability to provide that support based on trading in 2021 and their access to funds. Through this detailed review the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the annual report and accounts.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

(Continued)

1 Accounting policies

1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable from the provision of access and related products and services during the normal course of business, net of discounts, VAT and other sales related taxes. Sales income represents income from the sale of equipment and is recognised upon transfer of goods. Equipment hire income is recognised over the period of the lease. Contract income arises from the provision of equipment and labour and is recognised over the period of the service. Turnover is recognised on an accruals basis.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Straight line over 10 to 50 years for freehold buildings and the lower of 50 years or the life of the lease.
Fixtures and fittings	Straight line over 3 to 10 years
Plant and equipment	Straight line over 3 to 20 years
Computers	Straight line over 3 to 5 years

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

Repairs, maintenance and inspection costs are expensed as incurred.

1.5 Intangible assets and goodwill

Intangible assets comprise amounts paid relating to the initial business acquisition that were allocated to customer relationships and the use of trade names with the remainder recorded as Goodwill. These intangible assets are defined as having finite useful lives and are amortised on a straight line basis over their estimated useful lives of 10 years. Where the value of customer relationships are explicitly related to separately identifiable contracts acquired then the intangible asset will be recognised over the remainder of those customer contracts. Software is amortised over 3 to 5 years. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

1.6 Negative goodwill

Negative goodwill represents the excess of the fair value of net assets acquired over the cost of acquisition of the assets. It is initially recognised as a negative asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Negative goodwill is considered to have a finite useful life. It is being amortised over the average useful economic life of the revenue generating fixed assets to which it relates which was estimated on acquisition in to be 107 months (8.92 years).

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

(Continued)

1 Accounting policies

1.7 Impairment of tangible and intangible assets

At each reporting end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. Provisions are made to value slow moving, obsolete and defective stock at net realisable value.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

(Continued)

1 Accounting policies

1.9 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and loan notes, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future payments discounted at a market rate of interest.

These assets are subsequently measured at amortised cost using the effective interest rate method, less any impairment. Interest is not applied for short term receivables where the recognition of interest would be immaterial.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Basic financial assets are assessed for evidence of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The Company does not hold any non-basic financial assets.

Financial liabilities

Basic financial liabilities, including trade and other payables, and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

Offsetting

Financial assets and liabilities are offset, with the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

(Continued)

1 Accounting policies

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income or loss. 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is recovered. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are measured on an undiscounted basis and are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Provisions

Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation, whether that be for dilapidation cost on leased properties, severance costs not yet paid, lease obligations for properties from which the company are deriving no economic benefit or onerous lease costs whereby the Company's contracted lease payments are in excess of the current market rate.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

(Continued)

1 Accounting policies

1.12 Employee benefits

Defined benefit pension plan

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan

The Company operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

(Continued)

1 Accounting policies

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments calculated using the interest rate implicit in the lease. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful life of the asset.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the Company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

The Coronavirus Job Retention scheme grant has been recognised under the accrual model, and is shown within Government Grant Income within the financial statements.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the income statement.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following are the Company's key sources of estimation uncertainty:

Tangible assets

The Company reviews the estimated useful lives of its fixed assets on an ongoing basis. This review assesses the estimated useful lives used for depreciation purposes in the Company's financial statements.

Goodwill and intangible assets

The Group establishes a reliable estimate of the useful life of negative goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the negative goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Provisions

Property provisions relate to estimated dilapidation costs to be incurred at the end of the lease on relevant properties. The other provision represents management's best estimate of the Company's exposure of both commercial and historic industrial injury claims. This includes the Company's liability for incurred but not yet reported claims for bodily injury and damage sustained by third parties arising from the Company's activities. The provision recognised is after insurance policy deductibles.

Contract services revenue recognition

The Company's activities include long-term contracts, where there is a requirement to estimate both contract revenues and costs and for them to be recognised over more than one accounting period. Management judgement is based on the latest available information which includes contract valuations. Profit attributable to the stage of completion of a long-term contract is recognised when the outcome of the contract can be estimated reliably.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Revenue

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax.

An analysis of the Company's revenue is as follows:

	31 December 2021 £'000	31 December 2020 £'000
Turnover		
Equipment sales	9,789	11,166
Equipment hire	35,928	28,936
Contract services	99,518	99,268
	<u>145,235</u>	<u>139,370</u>

Revenue analysed by geographical market

	2021 £'000	2020 £'000
UK	139,552	123,482
Europe	5,026	13,435
North America	329	601
Middle East	263	853
Africa	-	53
Asia Pacific	1	240
South America	64	706
	<u>145,235</u>	<u>139,370</u>

4 Other operating income

Other operating income is principally related to management fee income of £8,363,173 (2020: £8,902,343). These are for expenses incurred and recharged to fellow BrandSafway entities as the Company acts as the head office of the international region of the BrandSafway. The Company also received government grants relating to the coronavirus furlough scheme during the year amounting to £737,139 (2020: £7,893,445). Also included is £123,381 (2020: £30,937) of foreign exchange gains.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5	Operating profit	31 December	31 December
		2021	2020
	Operating profit for the year is stated after charging/(crediting):	£'000	£'000
	Exchange gains	(123)	(31)
	Government grants	(737)	(7,893)
	Depreciation of owned property, plant and equipment	6,084	6,468
	Amortisation of intangible assets	1,143	626
	Release of negative goodwill	(2,960)	(2,960)
	Operating lease charges	9,839	8,418
		<u> </u>	<u> </u>

Income from Government grants were received by the Company under the Job Retention Scheme as a result of the Covid-19 pandemic and have been recognised in other operating income. There are no unfulfilled conditions or other contingencies attached to these grants.

The amortisation of intangible assets is included within administration expenses.

6 Auditors' remuneration

The analysis of auditor's remuneration is as follows:

	31 December	31 December
	2021	2020
	£'000	£'000
Fees payable to the Company's auditors for the audit of the Company's annual accounts	264	251
	<u> </u>	<u> </u>

No non-audit services were provided to the Company by its auditor.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Employees

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

	2021 Number	2020 Number
Direct labour and operatives	1,450	1,664
Managerial and administrative	379	388
	<u>1,829</u>	<u>2,052</u>

Employment costs

	31 December 2021 £'000	31 December 2020 £'000
Wages and salaries	94,405	101,701
Pension costs	3,142	2,494
	<u>97,547</u>	<u>104,195</u>

Pension costs include £5,000 (2020: £5,000) related to the Company's defined benefit scheme with the remainder of the amount being the Company's defined contribution scheme.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Directors' remuneration

	31 December 2021 £'000	31 December 2020 £'000
Remuneration for qualifying services	678	450
Company pension contributions to defined contribution schemes	37	23
	<u>715</u>	<u>473</u>

Directors residing in the UK are remunerated through the Company, while the other directors of the Company were paid by other companies within the Group.

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2020: 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	31 December 2021 £'000	31 December 2020 £'000
Remuneration for qualifying services	241	201
Company pension contributions to defined contribution schemes	12	10

9 Investment income

	31 December 2021 £'000	31 December 2020 £'000
Interest income		
Interest on bank deposits	-	3
Income from fixed asset investments		
Income from shares in group undertakings	-	59
Total income	<u>-</u>	<u>62</u>

10 Finance costs

	31 December 2021 £'000	31 December 2020 £'000
Interest on bank overdrafts	1	5
Interest payable to group companies	2,486	2,506
	<u>2,487</u>	<u>2,511</u>

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Taxation

	31 December 2021 £'000	31 December 2020 £'000
Current tax		
UK corporation tax	(343)	59
Foreign tax	162	388
	<u>(181)</u>	<u>447</u>
Deferred tax		
Origination and reversal of timing differences	619	(375)
	<u>438</u>	<u>72</u>

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £'000	2020 £'000
Profit/(loss) before taxation on continued operations	1,874	(1,977)
	<u>1,874</u>	<u>(1,977)</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2020 - 19.00%)	356	(376)
	<u>356</u>	<u>(376)</u>
Negative goodwill amortisation	(439)	(562)
Non-deductible expenses	414	434
Prior year adjustment	(285)	287
Chargeable gains - indexation	-	(27)
Other items	(313)	(225)
Foreign tax (net of deduction)	131	314
Deferred tax rate changes	574	238
UK dividend income	-	(11)
	<u>82</u>	<u>448</u>
Tax expense / (credit) for the year	<u>438</u>	<u>72</u>

The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% (2021 - 19%) which represents the future corporation tax rate that was enacted at the balance sheet date. The UK fiscal statement on 23 September 2022 included measures to target annual economic growth of 2.5%, encourage investment, higher wages and increased consumer spending. These measures included the cancellation of the planned increase in the corporation tax rate to 25%. The cancellation was not substantively enacted at the balance sheet date and hence has not been reflected in the measurement of deferred tax balances at the period end. If the Company's deferred tax balances at the period end were remeasured at 19% this would result in a deferred tax charge of £144,970.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Intangible fixed assets

	Goodwill	Negative goodwill	Software	Customer relations	Trade names	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2021	892	(26,392)	938	1,318	1,044	(22,200)
Additions - separately acquired	-	-	4	-	-	4
Additions - business combinations	33,752	-	-	-	-	33,752
Disposals	-	-	(96)	-	-	(96)
At 31 December 2021	34,644	(26,392)	846	1,318	1,044	11,460
Amortisation and impairment						
At 1 January 2021	74	(20,966)	691	1,015	740	(18,446)
Amortisation charged for the year	823	(2,960)	112	104	104	(1,817)
Disposals	-	-	(3)	-	-	(3)
At 31 December 2021	897	(23,926)	800	1,119	844	(20,266)
Carrying amount						
At 31 December 2021	33,747	(2,466)	46	199	200	31,726
At 31 December 2020	818	(5,426)	246	303	304	(3,755)

The opening goodwill is from the acquisition of Benchmark Hoist trade and assets in 2020. The goodwill addition in the year relates to Lyndon Scaffolding dividend in specie and reclassification from investment following the cessation of trade in Lyndon Scaffolding in August 2021.

Negative goodwill represents the excess of the fair value of net assets acquired over the cost of acquisition of the assets from a business combination in 2013. It is initially recognised as a negative asset at cost and is subsequently measured at cost less accumulated amortization and accumulated impairment losses. Negative goodwill is considered to have a finite useful life. It is being amortised over the average useful economic life of the revenue generating fixed assets to which it relates which was estimated on acquisition to be 107 months (8.92 years).

Software is amortised over 3 to 5 years.

The other intangible assets comprise amounts paid relating to the initial business acquisition in 2013 that were allocated to customer relationships and the use of trade names. The costs are amortised on a straight line basis over their estimated useful lives of 10 years.

Intangible assets are stated at cost less amortisation. The directors are satisfied that there has been no indication that the carrying value may be impaired.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Property, plant and equipment

	Land and buildings £'000	Fixtures and fittings £'000	Plant and equipment £'000	Computers £'000	Total £'000
Cost					
At 1 January 2021	9,614	332	76,608	999	87,553
Additions	264	36	14,331	98	14,729
Disposals	(111)	(23)	(8,465)	(255)	(8,854)
At 31 December 2021	<u>9,767</u>	<u>345</u>	<u>82,474</u>	<u>842</u>	<u>93,428</u>
Accumulated depreciation					
At 1 January 2021	2,864	291	20,615	751	24,521
Charge for the year	620	16	5,343	105	6,084
Disposals	(108)	(9)	(3,072)	(170)	(3,359)
At 31 December 2021	<u>3,376</u>	<u>298</u>	<u>22,886</u>	<u>686</u>	<u>27,246</u>
Carrying amount					
At 31 December 2021	<u>6,391</u>	<u>47</u>	<u>59,588</u>	<u>156</u>	<u>66,182</u>
At 31 December 2020	<u>6,750</u>	<u>41</u>	<u>55,993</u>	<u>248</u>	<u>63,032</u>

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Fixed asset investments

	2021 £'000	2020 £'000
Unlisted investments	-	57,000

Unlisted investments are held at cost less impairment as fair value cannot be reliably determined.

Movements in non-current investments

	Investments other than loans £'000
Cost or valuation	
At 1 January 2021	57,000
Dividend in specie received	(23,248)
Transfer to Goodwill	(33,752)
At 31 December 2021	-
Carrying amount	
At 31 December 2021	-
At 31 December 2020	57,000

Following the cessation of trade by Lyndon Scaffolding Limited in August 2021 a final dividend in specie was paid to the Company. Lyndon Scaffolding Limited is now a dormant entity. As the trade and assets of Lyndon Scaffolding Limited had already been transferred to the Company in July 2019 and is part of the Commercial Scaffolding division of the Company, the remaining investment value less the dividend in specie has been transferred to goodwill.

15 Subsidiaries

Details of the Company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares	Held %
Lyndon Scaffolding Limited	UK	Comprehensive access solutions	Ordinary shares	100.00

16 Inventories

	2021 £'000	2020 £'000
Finished goods	4,003	3,286
Raw materials	316	339
	<u>4,319</u>	<u>3,625</u>

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

17 Trade and other receivables	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	27,734	28,369
Amounts owed by group undertakings	954	1,050
Other receivables	1,768	179
Prepayments and accrued income	2,021	2,881
	<u>32,477</u>	<u>32,479</u>
	2021	2020
Amounts falling due after more than one year:	£'000	£'000
Trade receivables	16	25
	<u>16</u>	<u>25</u>
Total debtors	32,493	32,504
	<u>32,493</u>	<u>32,504</u>

Amounts owed by group undertakings are all trading balances, interest free and are to be paid under normal trading terms.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Trade and other payables

	Current		Non-current	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts due to fellow group undertakings	27,632	43,139	27,586	27,586
Trade payables	9,864	9,188	-	-
Taxation and social security	2,001	11,308	-	-
Other payables	1,423	2,166	631	924
Amount due to parent undertaking	60	60	8,554	8,554
Accruals	3,890	3,155	-	-
Deferred income	1,608	812	-	-
	<u>46,478</u>	<u>69,828</u>	<u>36,771</u>	<u>37,064</u>

Amounts due within one year to fellow group undertakings includes a loan of £21,963,914 (2020: £15,493,246) which charges interest at a variable rate of 4.08% (2020: 4.06%). This loan is considered a working capital loan and although it does not have a fixed repayment date, it is considered short term in nature.

Amounts due after one year to fellow group undertakings are for a loan of £27,586,023 (2020: £27,586,023) which charges interest at a variable rate of 3.59% (2020: 3.56%), has no specified repayment date but has been confirmed with the counterparty to be long term in nature.

Amounts due after one year owed to the parent undertaking are for a loan of £8,553,604 (2020: £8,553,604) which charges interest at a fixed rate of 8.44% (2020: 8.44%) and matures in November 2023.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Provisions

	Property dilapidations provision £'000	Other £'000	Total £'000
At 1 January 2021	874	5,056	5,930
Additional provisions in the year	208	1,215	1,423
Reversal of provision	(5)	-	(5)
Utilisation of provision	(365)	(672)	(1,037)
At 31 December 2021	<u>712</u>	<u>5,599</u>	<u>6,311</u>

Property provisions relate to estimated dilapidation costs to be incurred at the end of the lease on relevant properties. £342,000 is expected to be paid out in under 12 months with £370,000 to be paid out in future periods based on the differing lease length remaining.

The other provision represents management's best estimate of the Company's exposure of both commercial and historic industrial injuries. This includes the company's liability for incurred but not yet reported claims for bodily injury and damage sustained by third parties arising from the Company's activities. This provision is considered to be predominantly long term in nature due to the inherent uncertainties relating to these incidents.

20 Retirement benefit schemes

	2021 £'000	2020 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>3,137</u>	<u>2,489</u>

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Defined benefit schemes

The defined benefit scheme is closed to both new participants and to future benefit accrual.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31st December 2021 by Broadstone Corporate Benefits Limited, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

<i>Key assumptions</i>	2021 %	2020 %
Discount rate	1.90	1.30
Expected rate of increase of pensions in payment	2.20 - 3.00	1.85 - 2.40
Expected rate of salary increases	<u>n/a</u>	<u>n/a</u>

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Retirement benefit schemes

(Continued)

<i>Amounts recognised in the income statement</i>	2021 £'000	2020 £'000
Net interest on defined benefit liability/(asset)	5	5
	<u>5</u>	<u>5</u>
<i>Amounts taken to other comprehensive income</i>	2021 £'000	2020 £'000
Actual return on scheme assets	(1,265)	(1,791)
Less: calculated interest element	173	248
	<u>(1,092)</u>	<u>(1,543)</u>
Return on scheme assets excluding interest income	(1,092)	(1,543)
Actuarial changes related to obligations	(409)	1,648
	<u>(1,501)</u>	<u>105</u>
The amounts included in the statement of financial position arising from the Company's obligations in respect of defined benefit plans are as follows:		
	2021 £'000	2020 £'000
Present value of defined benefit obligations	13,238	13,860
Fair value of plan assets	(14,388)	(13,514)
	<u>(1,150)</u>	<u>346</u>
(Surplus)/deficit in scheme		

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Retirement benefit schemes (Continued)

	2021 £'000
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 January 2021	13,860
Benefits paid	(391)
Actuarial gains and losses	(409)
Interest cost	178
	13,238
At 31 December 2021	13,238

The defined benefit obligations arise from plans which are wholly or partly funded.

	2021 £'000
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 January 2021	13,514
Interest income	173
Return on plan assets (excluding amounts included in net interest)	1,092
Benefits paid	(391)
	14,388
At 31 December 2021	14,388

The actual return on plan assets was £1,265,000 (2020 - £1,791,000).

	2021 £'000	2020 £'000
<i>Fair value of plan assets at the reporting period end</i>		
Equity instruments	5,989	5,691
Debt instruments	5,598	4,485
Cash	234	563
Other	2,567	2,775
	14,388	13,514
	14,388	13,514

Sensitivity information

	2021 £'000	2020 £'000
Sensitivity analysis on the defined benefit obligation		
% change in DBO for increase or decrease in assumption below:		
Change in discount rate (3.4%) (2020: increase 3.6%)	(450)	499

In relation to mortality, if members were to live 1 year longer than assumed, the liabilities would increase by around 3%, £397,000.

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

	Liabilities 2021 £'000	Liabilities 2020 £'000
Balances:		
Fixed asset timing differences	6,473	4,050
Tax losses	(4,273)	(2,558)
Short term timing differences	190	(74)
	<u>2,390</u>	<u>1,418</u>
Movements in the year:		2021 £'000
Liability at 1 January 2021		1,418
Charge to profit		619
Charge to other comprehensive income		353
Liability at 31 December 2021		<u>2,390</u>

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

22 Called up share capital

As at 31 December 2021 the Company has authorised share capital of 101 Ordinary shares of £1 each (2020: £101) with share premium of £3,545,159.60 (2020: £3,545,159.60).

The Company has one class of ordinary shares which carry no right to fixed income.

23 Equity reserve

In 2019 the Company's immediate parent, Brand Energy Holdings BV, made a contribution to the equity capital of the Company of £30,000,000.

	2021 £'000	2020 £'000
24 Capital commitments		
Amounts contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	<u>2,955</u>	<u>1,143</u>

BRAND ENERGY & INFRASTRUCTURE SERVICES UK, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

25 Operating lease commitments

Operating lease payments represent rentals payable by the Company for vehicles and property.

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £'000	2020 £'000
Within one year	1,904	2,956
Between two and five years	3,400	5,486
In over five years	906	1,654
	<u>6,210</u>	<u>10,096</u>

At the reporting end date the total future minimum sublease payments expected to be received under non-cancellable subleases was £279,665 (2020: £393,479).

26 Related party transactions

The Company has taken advantage of the exemption contained within paragraph 33.1A of FRS102 not to disclose transactions or balances with group companies as it is a wholly owned subsidiary of Brand Industrial Services Inc., whose consolidated financial statements are publicly available. Brand Industrial Services Inc., is wholly owned by the ultimate controlling entity of the Company, Brand Industrial Holdings, Inc.

Transactions were entered into with Quebeisi SGB LLC, a subsidiary undertaking in which Brand Industrial Holdings, Inc. has a 49% interest. Total sales in the year to Quebeisi SGB LLC were £21,970 (2020: £423,832) and purchases from this company were £795,437 (2020: £254,105). The amount receivable from Quebeisi SGB LLC as at 31 December 2021 was £Nil (2020: £371,731) and the amount payable to Quebeisi SGB LLC as at 31 December 2021 was £113,564 (2020: £133,378).

27 Controlling party

The immediate parent company of Brand Energy & Infrastructure Services UK, Limited is Brand Energy Holdings BV, a company incorporated in the Netherlands.

The ultimate controlling entity of Brand Energy & Infrastructure Services UK, Limited is Brand Industrial Holdings, Inc., a company incorporated in the United States of America. This is the entity in which Brand Energy & Infrastructure Services UK, Limited is consolidated into and whose financial statements can be obtained from 1325 Cobb International Drive, Suite A-1, Kennesaw, Georgia 30152, USA. The shareholding of Brand Industrial Holdings Inc. is ultimately owned by Bullseye Holdings L.P. Bullseye Holdings L.P. is beneficially owned by funds affiliated with Brookfield Business Partners L.P. (46.35%) and Clayton Dubilier & Rice (CDR) (46.35%), and certain current and former members of management (7.3%).