

Turner & Townsend Limited

Annual report and financial statements

Registered number 06468643

30 April 2021



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Company information

Directors

VP Clancy
MSJ Lathom-Sharp
J Dand
AM Rowden
P Moore
MS Christie

Registered office

Low Hall
Calverley Lane
Horsforth
Leeds
LS18 4GH
United Kingdom

Auditor

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Group strategic report

The directors present their strategic report for Turner & Townsend Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) for the year ended 30 April 2021.

Principal activities

The principal activity of the Group during the year was the delivery of construction and management consultancy services.

Business model

The Group is a global programme management and construction consultancy which supports organisations that invest in, own and operate assets.

We support organisations by managing risk while maximising value and performance during the construction and operation of their assets.

The Group operates through seven geographic regional businesses, each of which is managed by its own Board. Each region delivers services to its local market across three core industry segments – real estate, infrastructure and natural resources - and supports the Group’s global client engagements.

Business review

For the year ended 30 April 2021, gross revenue decreased by 2.3% to £727,351,000 (2020: £744,329,000) and net revenue (gross revenue less sub-contract revenue) by 2.4% to £664,546,000 (2020: £680,710,000).

The slight revenue decline reflects significant contractions in the aviation and oil and gas markets. Excluding revenue attributable to these sectors, net revenue showed growth of 7.6%. At the regional level, overall growth was achieved in two of our seven regions, with particularly strong growth in Europe of 23%. This strong performance delivered across global markets is a result of us investing in the right things: our people, the community and the services we deliver for clients. In real estate and infrastructure, our ability to manage complex portfolios and to enhance the performance of major programmes remains robust.

Operating profit before amortisation for the year was £114,342,000 (2020: £87,626,000), an operating margin of 17.2% (2020: 12.9%).

The balance sheet remains strong as does the liquidity of the Company. At the year end the business had no bank debt and net assets of £209,430,000 (2020: £167,037,000).

At 30 April 2021, the total number of offices across the Group was 112 (2020: 111). Staff numbers increased in the year by 0.2% to 6,801 (2020: 6,789).

Group strategic report *(continued)*

Key performance indicators

The directors consider net revenue and operating profit before amortisation to be the key performance indicators for the Group. These results are reported on the basis of the Group's regional management structure on a monthly basis and are shown in notes 2 and 3.

In addition to net revenue and operating profit before amortisation, the directors monitor and review staff utilisation, income and cost per head, debtor days and the level of income secured against budget on a monthly basis.

Risks and uncertainties

The principal risks and uncertainties facing the Group are as follows:

Customers and markets

The Group is exposed to the risk of losing key customers and to market volatility. The Group manages these risks through diversification into different global regions and different sectors, and by ensuring no reliance on any single customer.

The Covid-19 pandemic has impacted the business with some regions being affected to a greater extent than others. While the Group continues to benefit from a strong balance sheet, a detailed model to evaluate our cash position is under constant review. Based on these projections and its cash balances, the directors have concluded that the Group has adequate working capital.

Resourcing and retention

As a growing business, the Group faces challenges in meeting its human resource requirements. This may arise due to a lack of resource capacity to meet demand in certain locations and the failure to retain and develop valued and experienced people. The Group manages these risks through an internal recruitment system and resourcing team, a documented global mobility policy, embedded learning and development and performance review processes.

The Covid-19 pandemic has had a significant impact on our employees, many of whom have successfully transitioned to working from home. Office workplace assessments are in process to allow a managed transition back to work in a safe and controlled manner. The Board have carefully considered safe methods of working with due consideration of how the business can safely interact with our customers.

Compliance

As the Group expands into new markets it is increasingly exposed to new business regulations, international sanction requirements and the risk of breaches of regulatory laws by individual employees. The Group manages these risks through the retention and use of regional professional advisors, ongoing training and the reinforcement of a culture of good governance and documented procedures and plans to address the event, or possibility, of non-compliance.

Credit risk

The Group manages credit risk by obtaining external credit evaluations on customers and regular monitoring of the outstanding debt. The wide customer base ensures no significant exposure to any individual customer default.

The Board continues to closely monitor the impact of Covid-19 in relation to the Group's outstanding debt with continuous customer dialogue around the various regions.

Group strategic report *(continued)*

Risks and uncertainties *(continued)*

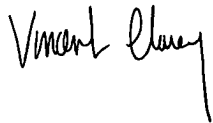
Currency risk

The income and costs of Group companies are typically incurred in the trading currency relevant to their country. Accordingly, the Group largely manages currency risk by matching the currency of income with the currency of related costs.

Future developments

The directors will continue to implement the strategy of growth through the diversification of services, sectors and geographies that has provided such resilience to the business in recent years.

Signed on behalf of the Board



VP Clancy
Chief Executive Officer
16 July 2021

Group directors' report

The directors present their annual report for Turner & Townsend Limited for the year ended 30 April 2021.

The Company is incorporated, domiciled and registered in England and Wales. The financial statements consolidate the results and financial position of the Company and its subsidiary undertakings.

Dividends

The Company has declared and paid dividends of £36,590,000 (2020: £31,590,000) on its ordinary shares during the year.

Directors

The directors who held office during the year and up to the date of this report were as follows:

VP Clancy
MSJ Lathom-Sharp
J Dand
AM Rowden
P Moore
MS Christie (non-executive director)

Political Contributions

Neither the company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Independent auditor

A resolution to reappoint KPMG LLP, Chartered Accountants, as auditor will be put to the members at the Annual General Meeting of the Group.

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Employee policy

The Group provides employees with information on matters of concern to them. Employee involvement in the Group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in maintaining its ongoing success. The Group encourages the involvement of employees in influencing decision making and direction wherever possible or appropriate.

Group directors' report *(continued)*

Employee policy *(continued)*

The Group has a policy of equal opportunities regardless of gender, race, colour, nationality, disability, marital status, age, employment status, parental responsibilities or sexual orientation. We try to ensure recruitment, learning and development opportunities, issues concerning continued employment and other employment decisions are made on the basis of fair and objective criteria and are identical for all employees.

Environmental stewardship

We are committed to improving our environmental impact and developing a more sustainable workplace. During the year ended 30 April 2021, we launched our commitment to become net zero by 2030 across our entire global value chain including scope 3. To this end, we became carbon neutral in January 2021 and have set Science-Based Targets verified by the Science Based Target Initiative which will see us reduce our emissions in line with climate models.

We are improving the environmental management of our own operations by transitioning to renewable energy and making greener choices around travel. Building good environmental management into our standard operating procedures gives us strong foundations, and we continue to drive improvement through our ISO 14001 certified environmental management system. We continue to contribute to the development of environmental best practice. We work collaboratively with clients, suppliers and industry bodies to find effective solutions to sustainability challenges in asset development, delivery and operation; bringing this best practice into our service offer and work with clients.

In accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the UK greenhouse gas emissions data for the year is presented in the annual report and financial statements of Turner & Townsend Partners LLP, the Company's ultimate parent company.


Section 172 Statement – Directors' duties

The Board of Directors of Turner & Townsend Limited consider, both individually and collectively, that they have acted in good faith to promote the long-term success of the company for the benefit of its members as a whole. The Board have regarded the stakeholders and matters set out in s.172 (a-f) of the Companies Act 2006 in the decisions taken during the year ended 30th April 2021.

Material decisions taken in the year include the approval of the budget for 2022, the declaration and payment of dividends and the Group's response to the Covid-19 pandemic, including the full repayment of all funds received under the UK's Coronavirus Job Retention Scheme.

In making these material decisions, the Board took conscious steps to identify and take account of the potential impact, both positively and negatively, on key stakeholder groups (such as employees, suppliers, customers and society as a whole). The Board have concluded that the decisions taken and the anticipated outcomes were aligned with promoting the long-term sustainable success of the company for the benefit of its members. The decisions made are designed to increase member value whilst also delivering increased positive social benefit through continuing to provide employment as well as contributing to the economy and the communities we operate in.

By order of the Board



VP Clancy
Chief Executive Officer
16 July 2021

Low Hall
Calverley Lane
Horsforth
Leeds
LS18 4GH
United Kingdom

Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements

The directors are responsible for preparing the strategic report, the directors' report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they have elected to prepare the Group consolidated financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group consolidated financial statements, state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Turner & Townsend Limited

Opinion

We have audited the financial statements of Turner & Townsend Limited ("the company") for the year ended 30 April 2021 which comprise the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated cash flow statement, consolidated statement of changes in equity, company statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- the financial statements 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over this period were:

- The economic impact of the anticipated lifting of global Covid-19 restrictions over the next 12 months.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group's current and projected cash and facilities (a reverse stress test).

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks, and related sensitivities.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the group to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at group.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue recognised on fixed price contracts is recorded in the wrong period and the risk that Group and component management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as provisions and pension assumptions.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included journals to revenue and cash accounts with unusual opposite entries.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the group to full-scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at group.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the terms of our engagement by the company. 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 the further matter we are required to state to them in accordance with the terms agreed with the company, 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.



**Chris Hearld (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

16 July 2021

Consolidated income statement
For the year ended 30 April 2021

| | <i>Note</i> | 2021 £000 | 2020 £000 |
|---|-------------|----------------|----------------|
| Gross revenue | 2 | 727,351 | 744,329 |
| Sub-contract revenue | | (62,805) | (63,619) |
| Net revenue | 2 | 664,546 | 680,710 |
| Staff costs | 4 | (472,999) | (491,862) |
| Other direct expenses | | (22,481) | (34,245) |
| Depreciation | 8 | (15,179) | (14,857) |
| Other operating charges | | (40,852) | (52,622) |
| Operating profit | 5 | 113,035 | 87,124 |
| Analysed as: | | | |
| Operating profit before amortisation | 3 | 114,342 | 87,626 |
| Amortisation | 9 | (1,307) | (502) |
| Operating profit | | 113,035 | 87,124 |
| Finance income | 6 | 462 | 663 |
| Finance expenses | 6 | (1,109) | (1,444) |
| Net financing expenses | | (647) | (781) |
| Share of profit of joint ventures, net of tax | 10 | 270 | 274 |
| Profit before taxation | | 112,658 | 86,617 |
| Corporation tax expense | 7 | (24,906) | (18,632) |
| Retained profit for the financial year | | 87,752 | 67,985 |
| Profit attributable to: | | | |
| Owners of the Company | | 86,995 | 67,365 |
| Non-controlling interests | | 757 | 620 |

The accompanying notes form part of the financial statements.

Consolidated statement of comprehensive income
For the year ended 30 April 2021

| | <i>Note</i> | 2021 £000 | 2020 £000 |
|---|-------------|----------------------------|--------------|
| Profit for the financial year | | 87,752 | 67,985 |
| <i>Items that are or may be reclassified subsequently to the income statement</i> | | | |
| Foreign currency translation differences | | (5,098) | 219 |
| <i>Items that will not be reclassified to the income statement</i> | | | |
| Remeasurement of defined benefit pension liability | 16 | (17) | (40) |
| Corporation tax on pension contribution | 7 | 392 | 348 |
| Deferred tax on items that will not be reclassified | 7 | (396) | (278) |
| Other comprehensive (loss)/income for the year, net of income tax | | (5,119) | 249 |
| Total comprehensive income for the year | | 82,633 | 68,234 |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | | 81,859 | 67,557 |
| Non-controlling interests | | 774 | 677 |

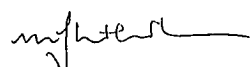
The accompanying notes form part of the financial statements.

Consolidated statement of financial position
At 30 April 2021

| | <i>Note</i> | 2021 £000 | 2020 £000 |
|---|-------------|---------------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 8 | 45,341 | 56,312 |
| Intangible assets | 9 | 39,917 | 38,266 |
| Amounts owed by parent undertaking | | 20,869 | 15,375 |
| Deferred tax assets | 7 | 6,382 | 5,382 |
| Investments in joint ventures | 10 | 1,213 | 1,052 |
| Total non-current assets | | 113,722 | 116,387 |
| Current assets | | | |
| Trade and other receivables | 11 | 146,126 | 162,335 |
| Cash and cash equivalents | 12 | 155,146 | 94,794 |
| Total current assets | | 301,272 | 257,129 |
| TOTAL ASSETS | 3 | 414,994 | 373,516 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 13 | 158,217 | 146,293 |
| Borrowings | 14 | 10,055 | 10,006 |
| Current tax liabilities | | 6,459 | 8,967 |
| Total current liabilities | | 174,731 | 165,266 |
| Non-current liabilities | | | |
| Borrowings | 14 | 29,193 | 37,521 |
| Pensions liability | 16 | - | 2,061 |
| Deferred tax liabilities | 7 | 1,640 | 1,631 |
| Total non-current liabilities | | 30,833 | 41,213 |
| TOTAL LIABILITIES | | 205,564 | 206,479 |
| NET ASSETS | | 209,430 | 167,037 |
| Equity | | | |
| Share capital | 18 | 46 | 46 |
| Other reserves | 18 | 24 | 24 |
| Translation reserve | | (257) | 4,858 |
| Retained earnings | | 205,124 | 155,204 |
| Total equity attributable to the owners of the Company | | 204,937 | 160,132 |
| Non-controlling interests | | 4,493 | 6,905 |
| TOTAL EQUITY | | 209,430 | 167,037 |

The accompanying notes form part of the financial statements.

These financial statements were approved by the Board of Directors on 16 July 2021 and were signed on its behalf by:



MSJ Lathom-Sharp
Director

Registered Number 06468643

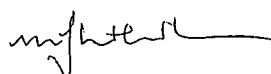
Company statement of financial position

At 30 April 2021

| | <i>Note</i> | 2021 £000 | 2020 £000 |
|--------------------------------------|-------------|---------------|---------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investments | 23 | 6,907 | 6,907 |
| Amounts owed by parent undertaking | | 20,869 | 15,375 |
| Total non-current assets | | 27,776 | 22,282 |
| Current assets | | | |
| Trade and other receivables | 11 | 4,135 | 7,978 |
| Cash and other equivalents | | - | - |
| Total current assets | | 4,135 | 7,978 |
| TOTAL ASSETS | | 31,911 | 30,260 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Borrowings | 14 | 552 | 1,019 |
| Trade and other payables | 13 | 15,242 | 12,230 |
| Total current liabilities | | 15,794 | 13,249 |
| Non-current liabilities | | | |
| Borrowings | 14 | 2,392 | 2,943 |
| Total non-current liabilities | | 2,392 | 2,943 |
| TOTAL LIABILITIES | | 18,186 | 16,192 |
| NET ASSETS | | 13,725 | 14,068 |
| Equity | | | |
| Share capital | 18 | 46 | 46 |
| Other reserves | 18 | 24 | 24 |
| Capital reserve | | 5,984 | 5,984 |
| Retained earnings | | 7,671 | 8,014 |
| TOTAL EQUITY | | 13,725 | 14,068 |

The accompanying notes form part of the financial statements.

These financial statements were approved by the Board of Directors on 16 July 2021 and were signed on its behalf by:



MSJ Lathom-Sharp
Director

Registered Number 06468643

Consolidated cash flow statement

For the year ended 30 April 2021

| | 2021 | 2020 |
|---|-----------------|-----------------|
| | £000 | £000 |
| Cash flows from operating activities | | |
| Profit after tax | 87,752 | 67,985 |
| Depreciation and amortisation | 16,486 | 15,359 |
| Excess of pension contributions over service cost | (2,094) | (1,904) |
| Loss on disposal of fixed assets | 745 | - |
| Net finance expenses | 647 | 781 |
| Share of profit of joint ventures | (270) | (274) |
| Corporation tax expense | 24,906 | 18,632 |
| Increase in trade and other payables | 13,814 | 19,210 |
| Decrease/(increase) in trade and other receivables | 12,401 | (18,778) |
| | <hr/> | <hr/> |
| Cash generated from operations | 154,387 | 101,011 |
| Interest paid | (1,093) | (1,367) |
| Corporation tax paid | (28,308) | (17,120) |
| | <hr/> | <hr/> |
| Net cash inflow from operating activities | 124,986 | 82,524 |
| | <hr/> | <hr/> |
| Cash flows from investing activities | | |
| Interest received | 462 | 663 |
| Dividends received | 99 | 250 |
| Proceeds from sale of property, plant and equipment | 146 | 374 |
| Acquisition of subsidiary undertakings | (2,971) | (5,850) |
| Purchase of intangible assets | (3,919) | (3,102) |
| Purchases of property, plant and equipment | (3,304) | (7,319) |
| | <hr/> | <hr/> |
| Net cash used in investing activities | (9,487) | (14,984) |
| | <hr/> | <hr/> |
| Cash flows from financing activities | | |
| Loan repayments to former shareholders | (1,019) | (2,063) |
| Loan to parent company | (5,495) | - |
| Repayment of lease liabilities | (9,195) | (8,371) |
| Dividends paid to shareholders | (36,590) | (31,590) |
| Dividends paid to non-controlling interest | (679) | (48) |
| | <hr/> | <hr/> |
| Net cash used in financing activities | (52,978) | (42,072) |
| | <hr/> | <hr/> |
| Net increase in cash and cash equivalents | 62,521 | 25,468 |
| Cash and cash equivalents at beginning of year | 94,794 | 69,665 |
| Effect of exchange rate fluctuations on cash held | (2,169) | (339) |
| | <hr/> | <hr/> |
| Cash and cash equivalents at end of year (note 12) | 155,146 | 94,794 |
| | <hr/> <hr/> | <hr/> <hr/> |

The accompanying notes form part of the financial statements.

Consolidated statement of changes in equity
For the year ended 30 April 2021

| | Share capital | Other reserves | Translation reserve | Retained earnings | Total | Non controlling interests | Total equity |
|---|---------------|----------------|---------------------|-------------------|----------------|---------------------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| At 1 May 2020 | 46 | 24 | 4,858 | 155,204 | 160,132 | 6,905 | 167,037 |
| Total comprehensive income for the year | | | | | | | |
| Profit for the year | - | - | - | 86,995 | 86,995 | 757 | 87,752 |
| Foreign currency translation differences for foreign operations | - | - | (5,115) | - | (5,115) | 17 | (5,098) |
| Re-measurement of defined benefit pension liability | - | - | - | (17) | (17) | - | (17) |
| Corporation tax on pension contribution | - | - | - | 392 | 392 | - | 392 |
| Deferred tax adjustment | - | - | - | (396) | (396) | - | (396) |
| | - | - | (5,115) | 86,974 | 81,859 | 774 | 82,633 |
| Transactions with owners recorded directly in equity | | | | | | | |
| Dividends | - | - | - | (36,590) | (36,590) | (679) | (37,269) |
| Purchase of shares in subsidiary companies (note 21) | - | - | - | (464) | (464) | (2,507) | (2,971) |
| | - | - | - | (37,054) | (37,054) | (3,186) | (40,240) |
| At 30 April 2021 | 46 | 24 | (257) | 205,124 | 204,937 | 4,493 | 209,430 |
| | | | | | | | |
| | Share capital | Other reserves | Translation reserve | Retained earnings | Total | Non controlling interests | Total equity |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| At 1 May 2019 | 46 | 24 | 4,696 | 120,682 | 125,448 | 3,769 | 129,217 |
| Adjustment on initial adoption of IFRS 16 (net of tax) | - | - | - | (1,283) | (1,283) | - | (1,283) |
| Adjusted balance at 1 May 2019 | 46 | 24 | 4,696 | 119,399 | 124,165 | 3,769 | 127,934 |
| Total comprehensive income for the year | | | | | | | |
| Profit for the year | - | - | - | 67,365 | 67,365 | 620 | 67,985 |
| Foreign currency translation differences for foreign operations | - | - | 162 | - | 162 | 57 | 219 |
| Re-measurement of defined benefit pension liability | - | - | - | (40) | (40) | - | (40) |
| Corporation tax on pension contribution | - | - | - | 348 | 348 | - | 348 |
| Deferred tax adjustment | - | - | - | (278) | (278) | - | (278) |
| | - | - | 162 | 67,395 | 67,557 | 677 | 68,234 |
| Transactions with owners recorded directly in equity | | | | | | | |
| Dividends | - | - | - | (31,590) | (31,590) | (48) | (31,638) |
| Non-controlling interest acquired (note 21) | - | - | - | - | - | 2,507 | 2,507 |
| | - | - | - | (31,590) | (31,590) | 2,459 | (29,131) |
| At 30 April 2020 | 46 | 24 | 4,858 | 155,204 | 160,132 | 6,905 | 167,037 |

The accompanying notes form part of the financial statements.

Notes (forming part of the financial statements)

1 Accounting policies

Turner & Townsend Limited (the “Company”) is a private incorporated company, domiciled and registered in England and Wales.

The financial statements consolidate the results and financial position of Turner & Townsend Limited and its subsidiary undertakings (the “Group”). Details of the Group subsidiaries are provided in note 23.

Basis of preparation

The Group’s financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 (“Adopted IFRSs”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Company’s financial statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company’s ultimate parent undertaking, Turner & Townsend Partners LLP, includes the Company in its consolidated financial statements. The consolidated financial statements of Turner & Townsend Partners LLP are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the registered office (Low Hall, Calverley Lane, Horsforth, Leeds, LS18 4GH, UK).

As permitted by section 408 of the Companies Act 2006, no income statement is presented for the Company. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of transactions with wholly owned members of the Turner & Townsend Partners LLP group;
- disclosures in respect of capital management; and
- the effects of new but not yet effective IFRSs.

As the consolidated financial statements of Turner & Townsend Partners LLP include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed on page 28.

Notes (continued)

1 Accounting policies (continued)

Measurement convention

The financial statements are prepared on the historical cost basis, modified to include the fair value of derivative instruments.

Functional and presentational currency

These consolidated financial statements are presented in Great British Pounds, which is the Group's functional currency. All financial information presented in Great British Pounds has been rounded to the nearest thousand.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 April 2021.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Joint arrangements

A joint arrangement is an arrangement over which the Group and one or more third parties have joint control. These joint arrangements are in turn classified as:

- Joint ventures whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities; and
- Joint operations whereby the Group has rights to the assets and obligations for the liabilities relating to the arrangement.

Joint ventures are accounted for using the equity method and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the total comprehensive income and equity movements of equity accounted investees, from the date that joint control commences until the date that joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Where the Group is a party to a joint operation, the consolidated financial statements include the Group's share of the joint operations' assets and liabilities, as well as the Group's share of the entity's profit or loss and other comprehensive income, on a line-by-line basis.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes (continued)

1 Accounting policies (continued)

Going concern

In the year ended 30 April 2021 the Group generated an operating profit before amortisation of £114,342,000 (2020: £87,626,000) and a retained profit after tax of £87,752,000 (2020: £67,985,000). The Group has an undrawn borrowing facility of £80,000,000 committed to May 2022 (2020: £80,000,000 committed to May 2022). This facility is subject to financial performance covenants. Cash and cash equivalents were £155,146,000 at 30 April 2021 (2020: £94,794,000).

The Board has prepared a working capital forecast using assumptions as to future trading for the going concern period of at least 12 months from the date of approval of the financial statements. Additional forecasting was performed for the subsequent period to April 2023. These forecasts include the Group's best estimate of future trading including the economic impact of the anticipated lifting of global Covid-19 restrictions over the next 12 months. Given the uncertainty within forecasts various sensitivity analyses have been performed to assess the impact of severe but plausible downside scenarios to future trading. Under these more cautious scenarios, material revenue reductions have been applied, as have the impacts of reduced cash collection performance as a result of worsening market conditions. These severe but plausible downside scenarios go beyond the Group's experience during the year ended 30 April 2021 and result in forecasted financial performance for the going concern period significantly below the financial performance seen in the year to 30 April 2021, which included the initial months of the Covid-19 lockdowns. These forecasts demonstrate that the Group will be able to meet its liabilities as they fall due out of its available cash balances, and even under the severe but plausible downside cases modelled the Group would not expect to need to draw down on its borrowing facility.

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

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are taken directly to the translation reserve. They are released into the income statement upon disposal.

Financial instruments

(i) Recognition and initial measurement

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

Notes (continued)

1 Accounting policies (continued)

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit and Loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (“FVOCI”) – debt investment; FVOCI – equity investment; or FVTPL.

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

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

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Investments in joint ventures, associates and subsidiaries are carried at cost less impairment losses.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the income statement.

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

Financial liabilities and equity

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

- (a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (b) where the instrument will or may be settled in the Group’s own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group’s own equity instruments or is a derivative that will be settled by the Group exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Notes (continued)

1 Accounting policies (continued)

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

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the income statement. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the income statement. Any gain or loss on derecognition is also recognised in the income statement.

(iii) Impairment

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost and contract assets (as defined in IFRS 15 *Revenue from Contracts with Customers*).

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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

Write-offs

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

Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Depreciation is charged using the following estimated useful lives:

- buildings - owned 50 years
- buildings – leased remaining lease term
- furniture, fittings and equipment 4 to 5 years
- software 4 years
- motor vehicles – leased remaining lease term

Notes (continued)

1 Accounting policies (continued)

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

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

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

Notes *(continued)*

1 **Accounting policies** *(continued)*

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Business combinations

From 1 May 2011, the Group has applied IFRS 3 Business Combinations (2008) in accounting for business combinations.

Acquisitions on or after 1 May 2011

For acquisitions on or after 1 May 2011, the Group measures goodwill at the acquisition date as the fair value of the consideration transferred, plus the fair value of any non-controlling interests in the acquiree, less the fair value of the identifiable assets and liabilities acquired.

Consideration which is contingent on future events is recognised at fair value on the date of acquisition and included in the consideration transferred on the acquisition. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition where they relate to conditions which existed at the date of acquisition. Changes relating to conditions which arose post acquisition are taken to the income statement.

Changes in an interest in a subsidiary undertaking that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary undertakings. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

Acquisitions before 1 May 2011

For acquisitions before 1 May 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Notes (continued)

1 Accounting policies (continued)

Intangible assets

Goodwill is measured at cost less accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised on a straight-line basis over the following estimated useful lives of intangible assets, from the date that they are available for use:

- customer relationships 3 to 6 years
- order book 1 to 6 years
- capitalised development costs 15 years

Amortisation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted if appropriate.

Research and development expenditure

Expenditure on research activities is recognised in the income statement as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

Amortisation is provided by the Group to write-off the cost of intangible assets by equal instalments over their estimated useful economic lives. Amortisation is charged from the date in which the asset is available to use.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying value of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed where there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying value does not exceed the carrying value that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes (continued)

1 Accounting policies (continued)

Calculation of recoverable amount

The recoverable amount of other assets is the greater of their net selling price 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate. A government grant is recognised only when there is reasonable assurance that (a) the entity will comply with any conditions attached to the grant and (b) the grant will be received.

Employee benefits

Defined contribution plans

The primary pension schemes maintained by the Group are defined contribution schemes. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Defined benefit plan

The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted.

The Group determines the net interest on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/asset.

The discount rate is the yield at the balance sheet date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in the income statement.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

Notes *(continued)*

1 Accounting policies *(continued)*

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Revenue

All revenue arises from professional services provided to customers in real estate, infrastructure and natural resources sectors. Revenue is recognised as the Group satisfies its performance obligations under the contracts entered into. Performance obligations are deemed to be met over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance.

Fixed fee revenue is recognised over time by measuring the progress towards complete satisfaction of the performance obligation. Progress is calculated by considering costs incurred to date and total forecast costs. Time charge revenue is recognised based on the number of billable hours undertaken in the year.

Gross revenue shown in the income statement represents amounts chargeable to clients for professional services provided during the year, inclusive of direct expenses incurred on client assignments and sub-contract revenue but excluding Value Added Tax.

Net revenue is the primary measure of revenue performance. Net revenue is calculated as gross revenue less sub-contract revenue.

Sub-contract revenue represents invoices issued by the Group in respect of work performed by third parties. The Group will engage a sub-contractor when a client requires certain specialised services as part of the delivery of a commission.

Work is undertaken on contracts either on the basis that time is billed as incurred or according to the terms of the fixed price contracts (which are substantially long-term). With respect to the former, revenue and profit are recognised according to time worked. With respect to fixed price contracts, revenue is recognised according to the percentage of the estimated total contract value completed. All losses are fully recognised as soon as incurred or foreseen.

Where the value of revenue recognised in accordance with this policy differs from the actual amount invoiced in accordance with the terms of the contract, then the difference is included in Trade and other receivables as "unbilled amounts for client work" and in Trade and other payables as "progress billings for client work", as appropriate.

Finance income and expenses

Finance expenses include interest payable and finance charges on lease liabilities recognised in profit or loss using the effective interest method and unwinding of the discount on provisions that are recognised in the income statement.

Finance income comprise interest receivable on funds invested and intercompany loans.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Notes (continued)

1 Accounting policies (continued)

Taxation

Taxation comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are not recognised on tax losses.

Deferred tax balances are not discounted.

Intra-group guarantees

Where the Company enters into contracts to guarantee the indebtedness of other companies within the Group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Key sources of uncertainty and judgement

Revenue for professional services – key estimate

In calculating the fixed fee revenue for professional services, the Group makes certain estimates as to the progress towards complete satisfaction of performance obligations. In doing so, the Group may make certain estimates as to the remaining costs to be incurred in completing the services required under the contract and the client's ability and intention to pay for the services provided. A different assessment of the outturn on a contract may result in a different value being determined for revenue.

Employee benefits – key estimate

The defined benefit obligation of the Group's pension scheme is based on certain assumptions as to mortality, based on current published tables, and discount rates and inflation reflecting current market trends. If either were to change, there is risk that there would be a further variance to actuarial gains and losses.

Notes (continued)

1 Accounting policies (continued)

Adopted IFRS not yet applied

The following Adopted IFRSs have been issued but have not been applied by the Group in these consolidated financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16: Interest Rate Benchmark Reform – Phase 2 (effective date 1 January 2021).
- IFRS 17 Insurance Contracts (effective date to be confirmed)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current (effective date to be confirmed).
- Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract (effective date to be confirmed).
- Amendments to References to the Conceptual Framework in IFRS 3 (effective date to be confirmed).
- Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use (effective date to be confirmed).
- Annual Improvements to IFRS Standards 2018-2020 (effective date to be confirmed).

Notes (continued)

2 Revenue

The Group operates through seven geographic regional businesses, each of which is managed by its own Board. Each region delivers services to its local market across three core industry segments - real estate, infrastructure and natural resources - and supports the Group's global client engagements.

Revenue for the year ended 30 April 2021 is analysed as follows:

| | Americas | UK | Europe | Africa | Middle East | Asia | Australia | Total |
|--------------------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| By market sector: | | | | | | | | |
| Real estate | 105,252 | 134,092 | 51,193 | 7,155 | 40,967 | 29,236 | 44,765 | 412,660 |
| Infrastructure | 12,267 | 135,090 | 7,104 | 1,040 | 21,390 | 6,824 | 20,767 | 204,482 |
| Natural resources | 23,872 | 3,805 | 1,884 | 3,470 | 2,517 | 1,114 | 10,742 | 47,404 |
| Net revenue | 141,391 | 272,987 | 60,181 | 11,665 | 64,874 | 37,174 | 76,274 | 664,546 |
| Sub-contract revenue | 2,062 | 45,131 | 3,867 | 1,583 | 513 | 2,468 | 7,181 | 62,805 |
| Gross revenue | 143,453 | 318,118 | 64,048 | 13,248 | 65,387 | 39,642 | 83,455 | 727,351 |

Revenue for the year ended 30 April 2020 is analysed as follows:

| | Americas | UK | Europe | Africa | Middle East | Asia | Australia | Total |
|--------------------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| By market sector: | | | | | | | | |
| Real estate | 104,002 | 140,851 | 42,011 | 9,003 | 40,715 | 30,543 | 36,638 | 403,763 |
| Infrastructure | 13,673 | 138,947 | 4,066 | 1,098 | 21,303 | 6,212 | 20,283 | 205,582 |
| Natural resources | 41,401 | 3,509 | 2,800 | 4,670 | 5,343 | 1,065 | 12,577 | 71,365 |
| Net revenue | 159,076 | 283,307 | 48,877 | 14,771 | 67,361 | 37,820 | 69,498 | 680,710 |
| Sub-contract revenue | 2,285 | 43,848 | 4,733 | 1,920 | 778 | 3,139 | 6,916 | 63,619 |
| Gross revenue | 161,361 | 327,155 | 53,610 | 16,691 | 68,139 | 40,959 | 76,414 | 744,329 |

At 30 April 2021, the Group's secured revenue was £591,699,000 (2020: £514,000,000).

3 Geographical information

Geographical information is presented in respect of the operational and management structure of the Group.

Operating profit before amortisation for the year ended:

| | Americas | UK | Europe | Africa | Middle East | Asia | Australia | Sub-total | Eliminations | Total |
|---------------|----------|--------|--------|--------|-------------|-------|-----------|-----------|--------------|---------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| 30 April 2021 | 26,607 | 42,396 | 12,515 | 999 | 12,053 | 3,273 | 16,499 | 114,342 | - | 114,342 |
| 30 April 2020 | 21,640 | 35,544 | 8,259 | 600 | 10,786 | 1,002 | 9,795 | 87,626 | - | 87,626 |

Total assets at:

| | Americas | UK | Europe | Africa | Middle East | Asia | Australia | Sub-total | Eliminations | Total |
|---------------|----------|---------|--------|--------|-------------|--------|-----------|-----------|--------------|---------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| 30 April 2021 | 79,148 | 250,873 | 33,947 | 5,277 | 23,934 | 22,655 | 23,592 | 439,426 | (24,432) | 414,994 |
| 30 April 2020 | 69,880 | 216,773 | 29,240 | 5,853 | 26,794 | 24,349 | 23,725 | 396,614 | (23,098) | 373,516 |

Notes (continued)

4 Staff costs and directors' remuneration

| | 2021 No. Group | 2020 No. Group | 2021 No. Company | 2020 No. Company |
|---|----------------------|----------------------|------------------------|------------------------|
| Staff | | | | |
| The average number of full time equivalent staff (including directors) during the year was: | | | | |
| Technical staff | 5,556 | 5,581 | - | - |
| Administrative and support staff | 677 | 673 | 5 | 5 |
| | <u>6,233</u> | <u>6,254</u> | <u>5</u> | <u>5</u> |

At 30 April 2021, total staff numbers were 6,801 (2020: 6,789).

| | 2021 £000 Group | 2020 £000 Group | 2021 £000 Company | 2020 £000 Company |
|--|-----------------------|-----------------------|-------------------------|-------------------------|
| Aggregate employment costs of staff | | | | |
| Salaries and bonus | 425,258 | 445,244 | 986 | 1,148 |
| Social security costs | 31,199 | 30,471 | 142 | 161 |
| Pension costs | | | | |
| - Defined contribution scheme | 16,337 | 15,913 | 85 | 100 |
| - Expenses related to defined benefit scheme | 205 | 234 | - | - |
| | <u>472,999</u> | <u>491,862</u> | <u>1,213</u> | <u>1,409</u> |

5 directors (2020: 5) accrued retirement benefits under money purchase schemes.

Directors' remuneration

An analysis of directors' remuneration is provided below:

| | Salary £ | Contributions to money purchase pension scheme £ | 2021 Total £ | 2020 Total £ |
|-----------------------|------------------|---|--------------------|--------------------|
| Total | <u>1,457,116</u> | <u>47,921</u> | <u>1,505,037</u> | <u>1,735,147</u> |
| Highest paid director | <u>506,957</u> | <u>-</u> | <u>506,957</u> | <u>587,465</u> |

Notes (continued)

5 Profit for the financial year and auditor's remuneration

| | 2021 | 2020 |
|--|-------|-------|
| | £000 | £000 |
| Profit for the financial year is stated after charging: | | |
| Depreciation on owned assets | 6,532 | 6,646 |
| Depreciation of leased assets | 8,647 | 8,211 |
| Amortisation | 1,307 | 502 |
| Short term lease rentals | 737 | 1,717 |
| Foreign exchange (losses)/gains recognised within operating profit | (501) | 74 |
| Research costs incurred during the year | - | 2,691 |

In prior year research costs, included within other operating charges, represent costs incurred during the research phase of the Group's digital transformation programme. Costs related to the digital transformation programme in the current year either related to maintenance of previously developed project or have now entered the development stage met the criteria for capitalisation.

Auditor's remuneration

| | | |
|---|-------|-----|
| Fees payable to the Company's auditor for the audit of the Company financial statements | 5 | 5 |
| Fees payable to the Company's auditor and their associates for other services: | | |
| - Audit of the Company's subsidiaries pursuant to legislation | 800 | 577 |
| - Tax services | 1,201 | 746 |
| - Other services | 195 | 472 |
| | 5 | 5 |

6 Finance income and expense

| | 2021 | 2020 |
|---|-------|-------|
| | £000 | £000 |
| Finance income | | |
| Interest income – bank deposits | 241 | 418 |
| Interest income – loans to parent companies | 221 | 245 |
| | 462 | 663 |
| Finance expense | | |
| On bank loan | 209 | 258 |
| On lease liabilities | 740 | 908 |
| Other interest | - | 4 |
| Bank facility commitment fee | 144 | 203 |
| Interest on pension scheme | 16 | 71 |
| | 1,109 | 1,444 |

Notes (continued)

7 Taxation

| | 2021 | 2020 |
|--|--------------------|-------------|
| % | £000 | £000 |
| UK corporation tax | | |
| Current tax on income for the year | 9,004 | 7,441 |
| Foreign tax | | |
| Current tax on income for the year | 17,205 | 12,008 |
| Total current tax | 26,209 | 19,449 |
| Deferred tax | (1,303) | (817) |
| Total taxation charge | 24,906 | 18,632 |
| Taxation reconciliation | | |
| Profit before taxation | 112,658 | 86,617 |
| Current tax at 19.0% (2020: 19.0%) | 19.0 21,405 | 19.0 16,457 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 1.4 1,569 | 1.6 1,425 |
| Tax losses (utilised)/created | (0.2) (173) | 0.2 148 |
| Different tax rates on non-UK earnings | 1.6 1,800 | 0.4 349 |
| Adjustments in respect of prior periods | 0.3 305 | 0.3 253 |
| Total taxation charge | 22.1 24,906 | 21.5 18,632 |

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. The March 2021 Budget announced that a rate of 25% would apply with effect from 1 April 2023 but this has not yet been enacted. The UK deferred tax assets and liabilities at 30 April 2021 has been calculated at 19% (2020: 19%).

Corporation tax credit on pension contributions of £392,000 (2020: £348,000) has been recognised directly in equity.

| | 2021 | 2020 | 2021 | 2020 |
|--|--------------|-------|-----------|-----------|
| | £000 | £000 | £000 | £000 |
| | Asset | Asset | Liability | Liability |
| Deferred taxes are attributable to the following: | | | | |
| Retirement benefit obligations | - | 392 | - | - |
| Other employee benefits | 1,995 | 1,572 | - | - |
| IFRS16 lease accounting | 167 | 253 | 781 | 723 |
| Plant and equipment and provisions | 4,048 | 3,108 | 859 | 908 |
| Intangible assets | 172 | 57 | - | - |
| Deferred taxes | 6,382 | 5,382 | 1,640 | 1,631 |
| The gross movements on the deferred tax account are as follows: | | | | |
| At beginning of year | 5,382 | 3,966 | 1,631 | 929 |
| Deferred tax recognised on IFRS16 conversion | - | 297 | - | - |
| Exchange differences | 126 | (149) | 42 | (27) |
| Amounts recognised in the income statement | 1,270 | 1,546 | (33) | 729 |
| Amounts recognised directly in equity | | | | |
| Retirement benefit actuarial movement | (396) | (278) | - | - |
| At end of year | 6,382 | 5,382 | 1,640 | 1,631 |

Notes *(continued)*

8 Property, plant and equipment

| Group | Freehold land & buildings £000 | Leased land & buildings £000 | Furniture, fittings & equipment £000 | Leased Motor vehicles £000 | Total £000 |
|-------------------------|--------------------------------------|------------------------------------|---|-------------------------------------|---------------|
| Cost | | | | | |
| At 1 May 2020 | 1,755 | 43,167 | 43,055 | 3,030 | 91,007 |
| Additions | - | 3,048 | 3,304 | 171 | 6,523 |
| Disposals | - | (1,237) | (4,174) | (1,056) | (6,467) |
| Exchange difference | (1) | (886) | (1,329) | 13 | (2,203) |
| At 30 April 2021 | 1,754 | 44,092 | 40,856 | 2,158 | 88,860 |
| Depreciation | | | | | |
| At 1 May 2020 | 440 | 7,235 | 25,755 | 1,265 | 34,695 |
| Charge for year | 34 | 7,987 | 6,498 | 660 | 15,179 |
| Disposals | - | (823) | (3,479) | (549) | (4,851) |
| Exchange difference | 1 | (233) | (1,268) | (4) | (1,504) |
| At 30 April 2021 | 475 | 14,166 | 27,506 | 1,372 | 43,519 |
| Net book amount | | | | | |
| At 30 April 2021 | 1,279 | 29,926 | 13,350 | 786 | 45,341 |
| At 1 May 2020 | 1,315 | 35,932 | 17,300 | 1,765 | 56,312 |

Notes *(continued)*

8 **Property, plant and equipment** *(continued)*

| Group | Freehold land & buildings £000 | Leased land & buildings £000 | Furniture, fittings & equipment £000 | Leased Motor vehicles £000 | Total £000 |
|---|--------------------------------------|------------------------------------|---|-------------------------------------|---------------|
| Cost | | | | | |
| At 1 May 2019 | 1,795 | - | 43,690 | 1,533 | 47,018 |
| Recognition of right-of-use asset on initial application of IFRS 16 | - | 33,536 | - | 1,400 | 34,936 |
| Adjusted balance at 1 May 2019 | <u>1,795</u> | <u>33,536</u> | <u>43,690</u> | <u>2,933</u> | <u>81,954</u> |
| Additions | - | 9,637 | 7,729 | 811 | 18,177 |
| Disposals | - | - | (8,100) | (709) | (8,809) |
| Exchange difference | (40) | (6) | (264) | (5) | (315) |
| At 30 April 2020 | <u>1,755</u> | <u>43,167</u> | <u>43,055</u> | <u>3,030</u> | <u>91,007</u> |
| Depreciation | | | | | |
| At 1 May 2019 | 408 | - | 26,813 | 796 | 28,017 |
| Charge for year | 43 | 7,303 | 6,603 | 908 | 14,857 |
| Disposals | - | - | (7,512) | (435) | (7,947) |
| Exchange difference | (11) | (68) | (149) | (4) | (232) |
| At 30 April 2020 | <u>440</u> | <u>7,235</u> | <u>25,755</u> | <u>1,265</u> | <u>34,695</u> |
| Net book amount | | | | | |
| At 30 April 2020 | <u>1,315</u> | <u>35,932</u> | <u>17,300</u> | <u>1,765</u> | <u>56,312</u> |
| At 1 May 2019 | <u>1,387</u> | <u>-</u> | <u>16,877</u> | <u>737</u> | <u>19,001</u> |

Notes (continued)

9 Intangible assets

| Group | Customer relationships £000 | Order book £000 | Goodwill £000 | Development expenditure £000 | Total £000 |
|-------------------------|--------------------------------|--------------------|------------------|---------------------------------|---------------|
| Cost | | | | | |
| At 1 May 2020 | 3,724 | 2,569 | 32,117 | 3,102 | 41,512 |
| Additions | - | - | - | 3,919 | 3,919 |
| Exchange difference | - | - | (961) | - | (961) |
| At 30 April 2021 | 3,724 | 2,569 | 31,156 | 7,021 | 44,470 |
| Amortisation | | | | | |
| At 1 May 2020 | 1,529 | 1,717 | - | - | 3,246 |
| Charge for year | 479 | 664 | - | 164 | 1,307 |
| At 30 April 2021 | 2,008 | 2,381 | - | 164 | 4,553 |
| Net book amount | | | | | |
| At 30 April 2021 | 1,716 | 188 | 31,156 | 6,857 | 39,917 |
| At 1 May 2020 | 2,195 | 852 | 32,117 | 3,102 | 38,266 |
| Cost | | | | | |
| At 1 May 2019 | 1,709 | 1,731 | 28,055 | - | 31,495 |
| Additions | 2,015 | 838 | 3,954 | 3,102 | 9,909 |
| Exchange difference | - | - | 108 | - | 108 |
| At 30 April 2020 | 3,724 | 2,569 | 32,117 | 3,102 | 41,512 |
| Amortisation | | | | | |
| At 1 May 2019 | 1,323 | 1,421 | - | - | 2,744 |
| Charge for year | 206 | 296 | - | - | 502 |
| At 30 April 2020 | 1,529 | 1,717 | - | - | 3,246 |
| Net book amount | | | | | |
| At 30 April 2020 | 2,195 | 852 | 32,117 | 3,102 | 38,266 |
| At 1 May 2019 | 386 | 310 | 28,055 | - | 28,751 |

Development expenditure represents the development phase of planned IT software solutions.

Notes (continued)

9 Intangible assets (continued)

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating units which represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

The aggregate carrying value of goodwill allocated to each unit were as follows:

| | 2021 £000 | 2020 £000 |
|---|---------------|---------------|
| Operating unit | | |
| Australia | 6,465 | 6,081 |
| Canada | 3,256 | 3,256 |
| Energy | 600 | 600 |
| Germany | 444 | 444 |
| Hong Kong | 1,268 | 1,387 |
| Ireland | 1,977 | 1,977 |
| Kenya | 1,321 | 1,321 |
| Norway | 1,519 | 1,519 |
| UK | 6,886 | 6,886 |
| USA | 6,563 | 7,798 |
| Other multiple units without significant goodwill | 857 | 848 |
| | <hr/> | <hr/> |
| Total carrying value of goodwill | 31,156 | 32,117 |
| | <hr/> <hr/> | <hr/> <hr/> |

The recoverable value of each operating unit was based on its value in use, determined by discounting the future cash flows generated from the continuing use of the operating unit, based on business plans for the next five years, with subsequent growth of 2% in line with expected long-term industry growth. The pre-tax discount rates applied range from 7%-13%. There are no reasonably possible changes in the key assumptions on which assessments of recoverable amounts have been based that would cause the carrying amount of goodwill to exceed its recoverable amount. Management do not expect a change to existing goodwill within the next financial year outside of foreign exchange fluctuations.

10 Joint arrangements

Joint ventures

The Group has a 50% (2020: 50%) interest in the following joint venture companies: TECHT Limited (incorporated in England and Wales) and Turner & Townsend Korea Co Ltd (incorporated in South Korea). The Group's interests in its joint ventures are accounted for under the equity method. The registered addresses of the joint ventures are included in note 23.

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| Total carrying amount for joint ventures | 1,213 | 1,052 |
| Share of profit after tax in joint ventures | 270 | 274 |
| | <hr/> <hr/> | <hr/> <hr/> |

The principal activity of all joint ventures is construction and management consultancy services.

Joint operations

The Group is party to a number of joint arrangements for the purposes of providing professional services to the infrastructure sector in the UK. Although no separate legal entities exist these have been classified as joint operations, as defined by IFRS 11. This is because in each case both parties share joint control of the arrangement and have rights to the assets and obligations for the liabilities relating to the respective arrangement.

Notes (continued)

11 Trade and other receivables

| | 2021 £000 | 2020 £000 | 2021 £000 | 2020 £000 |
|-------------------------------------|----------------|----------------|--------------|--------------|
| | Group | Group | Company | Company |
| Trade receivables – net | 117,271 | 132,797 | - | - |
| Other receivables | 11,544 | 11,778 | 371 | 366 |
| Unbilled amounts for client work | 13,547 | 12,815 | - | - |
| Amounts owed by parent undertakings | 3,764 | 4,945 | 3,764 | 7,612 |
| | <u>146,126</u> | <u>162,335</u> | <u>4,135</u> | <u>7,978</u> |

Amounts owed by parent and subsidiary undertakings are interest-free and repayable on demand.

12 Cash and cash equivalents

| | 2021 £000 | 2020 £000 |
|--|----------------|---------------|
| | Group | Group |
| The Group's cash at bank and in hand is denominated in the following currencies: | | |
| Great British Pound | 104,407 | 62,153 |
| US Dollar | 24,091 | 9,632 |
| Canadian Dollar | 7,957 | 2,995 |
| Euro | 4,651 | 4,937 |
| Australian Dollar | 3,031 | 2,972 |
| United Arab Emirates Dirham | 1,585 | 1,893 |
| Chinese Yuan | 1,549 | 730 |
| Singapore Dollar | 1,026 | 907 |
| Japanese Yen | 702 | 103 |
| Indian Rupee | 682 | 1,362 |
| Chilean Peso | 572 | 422 |
| Swiss Franc | 565 | 214 |
| South African Rand | 511 | 920 |
| Qatari Riyal | 499 | 1,560 |
| Hong Kong Dollar | 483 | 172 |
| Malaysian Ringgit | 281 | 501 |
| Mexican Peso | 268 | 46 |
| Saudi Riyal | 242 | 408 |
| Norwegian Krone | 205 | 464 |
| Omani Rial | 95 | 369 |
| Brazilian Real | 62 | 251 |
| Other currencies | 1,682 | 1,783 |
| | <u>155,146</u> | <u>94,794</u> |

Cash and cash equivalents is wholly represented by cash at bank and in hand.

Notes (continued)

13 Trade and other payables

| | 2021 £000 | 2020 £000 | 2021 £000 | 2020 £000 |
|---|----------------|----------------|---------------|---------------|
| | Group | Group | Company | Company |
| Trade payables | 8,283 | 7,773 | - | - |
| Accrued expenses and other creditors | 122,815 | 111,401 | 19 | 22 |
| Progress billings for client work | 27,119 | 27,119 | - | - |
| Amounts owed to subsidiary undertakings | - | - | 15,223 | 9,723 |
| Amounts owed to parent undertaking | - | - | - | 2,485 |
| | <u>158,217</u> | <u>146,293</u> | <u>15,242</u> | <u>12,230</u> |

Amounts owed to parent and subsidiary undertakings are interest-free and repayable on demand.

£27,119,000 of progress billings for client work as at 30 April 2020 has been recognised in revenue in the year ended 30 April 2021.

14 Borrowings

| | 2021 £000 | 2020 £000 | 2021 £000 | 2020 £000 |
|--------------------|---------------|---------------|--------------|--------------|
| | Group | Group | Company | Company |
| Current | | | | |
| Lease liabilities | 9,503 | 8,987 | - | - |
| Loans | 552 | 1,019 | 552 | 1,019 |
| | <u>10,055</u> | <u>10,006</u> | <u>552</u> | <u>1,019</u> |
| Non-current | | | | |
| Lease liabilities | 26,801 | 34,578 | - | - |
| Loans | 2,392 | 2,943 | 2,392 | 2,943 |
| | <u>29,193</u> | <u>37,521</u> | <u>2,392</u> | <u>2,943</u> |

Lease liabilities are secured against the assets that are being leased.

Loans are interest-free and represent amounts payable to former shareholders of the Company.

The maturity of these borrowings is as follows:

| | 2021 £000 | 2021 £000 | 2020 £000 | 2020 £000 |
|--|---------------|--------------|---------------|--------------|
| | Leases | Loans | Leases | Loans |
| Amounts payable: | | | | |
| Within one year | 9,503 | 552 | 8,987 | 1,019 |
| After more than one year but less than two years | 8,477 | - | 8,822 | 552 |
| After two years but less than five years | 15,809 | 789 | 20,013 | - |
| After five years but less than ten years | 2,515 | 1,603 | 5,743 | 2,391 |
| Total | <u>36,304</u> | <u>2,944</u> | <u>43,565</u> | <u>3,962</u> |

Notes (continued)

14 Borrowings (continued)

Changes in liabilities from financing activities:

| | Lease liabilities £000 | Loans and borrowings £000 |
|--|------------------------------|---------------------------------|
| | Group | Company and Group |
| At 1 May 2020 | 43,565 | 3,962 |
| <i>Changes from financing cash flows</i> | | |
| Repayment of borrowings | (9,935) | (1,019) |
| Lease liabilities disposed | (724) | - |
| | <hr/> | <hr/> |
| Total changes from financing cash flows | (10,659) | (1,019) |
| | <hr/> | <hr/> |
| <i>Other changes</i> | | |
| New lease liabilities | 3,217 | - |
| Interest expense | 740 | 1 |
| Foreign exchange | (559) | - |
| | <hr/> | <hr/> |
| Total other changes | 3,398 | 1 |
| | <hr/> | <hr/> |
| At 30 April 2021 | 36,304 | 2,944 |
| | <hr/> <hr/> | <hr/> <hr/> |
| | Lease liabilities £000 | Loans and borrowings £000 |
| | Group | Company and Group |
| At 1 May 2019 | 426 | 6,021 |
| Adjustment on initial application of IFRS 16 | 41,121 | - |
| | <hr/> | <hr/> |
| Adjusted balance at 1 May 2020 | 41,547 | 6,021 |
| | <hr/> | <hr/> |
| <i>Changes from financing cash flows</i> | | |
| Repayment of borrowings | (9,277) | (2,063) |
| Payment of lease liabilities | (56) | - |
| | <hr/> | <hr/> |
| Total changes from financing cash flows | (9,333) | (2,063) |
| | <hr/> | <hr/> |
| <i>Other changes</i> | | |
| New lease liabilities | 10,424 | - |
| Interest expense | 908 | 4 |
| Interest paid | 19 | - |
| | <hr/> | <hr/> |
| Total other changes | 11,351 | 4 |
| | <hr/> | <hr/> |
| At 30 April 2020 | 43,565 | 3,962 |
| | <hr/> <hr/> | <hr/> <hr/> |

Notes (continued)

15 Financial instruments

The Group has treasury policies to ensure:

- Each location has appropriate funds to finance operations;
- Exposure to foreign exchange movements is minimised by converting foreign currency surplus funds to Great British Pounds;
- Surplus funds are invested to maximise return at minimum risk; and
- The Group has adequate borrowing facilities to finance future growth and acquisitions.

Financial instruments held by the Group comprise borrowings, cash and liquid resources and trade receivables and payables, all of which arise directly from its operations. The Group's policy is that no trading in financial instruments shall be undertaken.

(a) Liquidity risk

Cleared funds held at bank are monitored on a daily basis.

The Group has a borrowing facility of £80,000,000. The Group had no primarily at against this facility at 30 April 2021. The facility has been extended during the year and is available until 5 May 2022 subject to certain conditions being met by the Group. These conditions have been met at all times by the Group in the year ended 30 April 2021.

(b) Credit risk

The Group has two types of financial assets that are subject to the expected credit loss model:

- Trade receivables from the provision of construction and management consultancy services; and
- Unbilled amounts for client work in relation to those construction and management consultancy services.

To measure the expected credit losses, trade receivables and unbilled amounts for client work have been grouped based on shared credit risk characteristics and the days past due. Historical loss rates are adjusted to reflect current and forward looking factors affecting the ability of the customers to settle the receivables. Where client specific risk factors have been identified this has been reflected in the expected credit loss calculation.

Ageing of net trade receivables and unbilled amounts for client work at each balance sheet date was:

| | 2021 | 2020 |
|-------------------|----------------|----------------|
| | Net | Net |
| | £000 | £000 |
| Unbilled | 13,547 | 12,815 |
| Current | 66,314 | 75,287 |
| 30 to 60 days | 25,470 | 36,473 |
| 60 to 90 days | 10,968 | 12,755 |
| More than 90 days | 14,519 | 8,282 |
| | 130,818 | 145,612 |
| Total | 130,818 | 145,612 |

Trade receivables are stated net of expected credit losses totalling £6,569,000 (2020: £5,485,000) which represents 5% (2020: 4%) of gross receivables. Loss rates are based on actual credit loss experience over the last 2 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions, and the Group's view of economic conditions over the expected lives of the receivables. The amount written off during the year to 30 April 2021 was £394,000 (2020: £505,000).

Notes (continued)

15 Financial instruments (continued)

(c) Interest rate risk

The financial assets of the Group comprise trade and other receivables and cash and cash equivalents. Trade and other receivables are non-interest-bearing. Cash and cash equivalents earn interest at floating rates and total £155,146,000 (2020: £94,794,000).

The financial liabilities of the Group comprise trade and other payables and borrowings. Trade and other payables are non-interest-bearing. Borrowings represent lease liabilities recognised at the incremental borrowing rate on the date of transition/recognition and loans due to former members of the Partnership and former shareholders of Turner & Townsend Limited, which are non-interest bearing.

Cash flow sensitivity analysis for variable rate instruments

The Group is exposed to variable interest rates on bank borrowings and bank deposits. A change of 100 basis points in interest rates in any period would not have had a material effect on the cash flow of the Group.

(d) Exchange rate risk

The major currency of the Group's income and expenditure is Great British Pounds. However, the income and costs of the non-UK subsidiaries are denominated in the trading currency applicable to its country. In addition, some revenues of the UK operations are rendered in other currencies where this is requested by clients.

The significant currencies in which the non-UK subsidiaries' assets are denominated are US Dollar, United Arab Emirates Dirham, Australian Dollar, Canadian Dollar, South African Rand, Indian Rupee and Euro. The Group seeks to minimise the foreign exchange exposure that may occur in subsidiaries trading in these currencies by ensuring that costs and revenues are incurred and settled in the same currency and by converting subsidiary cash into Great British Pounds.

The Group's exposure to foreign currency risk was as follows:

| | USD £000 | AED £000 | AUD £000 | CAD £000 | ZAR £000 | INR £000 | EUR £000 |
|----------------------------|---------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Net assets of subsidiaries | 50,438 | 9,225 | 8,542 | 10,977 | 2,186 | 1,349 | 4,314 |
| Currency assets in UK | 526 | - | - | - | - | - | - |
| Currency liabilities in UK | (5,817) | - | (1,958) | - | - | - | (2,645) |
| Bank | 519 | 69 | - | - | - | - | 318 |
| Net exposure | 45,666 | 9,294 | 6,584 | 10,977 | 2,186 | 1,349 | 1,987 |

Notes (continued)

15 Financial instruments (continued)

The following significant exchange rates applied during the year:

| | USD | AED | AUD | CAD | ZAR | INR | EUR |
|---------------------------------|------|------|------|------|-------|--------|------|
| Year to 30 April 2021 – average | 1.32 | 4.84 | 1.81 | 1.72 | 21.06 | 97.70 | 1.12 |
| 30 April 2021 – spot | 1.39 | 5.11 | 1.79 | 1.71 | 20.04 | 103.10 | 1.15 |
| Year to 30 April 2020 – average | 1.27 | 4.65 | 1.88 | 1.69 | 19.25 | 90.57 | 1.14 |
| 30 April 2020 – spot | 1.26 | 4.61 | 1.95 | 1.76 | 23.49 | 94.94 | 1.15 |

(e) Fair values

The estimated fair values of the financial instruments of the Group approximate to their book values at 30 April 2021. The following criteria have been used to assess the fair value of the Group's financial instruments:

- Trade and other receivables are based upon their nominal amount less impairment losses and are due for payment within 12 months.
- Trade and other payables are based on their nominal amount.
- Cash and cash equivalents approximate to their book values due to their short maturity period.
- Loans due to shareholders are based on their nominal amounts, which approximates to fair value.

16 Pension schemes

Defined contribution schemes

The primary schemes maintained by the Group are defined contribution schemes. The pension cost for the year represents contributions payable by the Group to the schemes and amounted to £16,337,000 (2020: £15,913,000).

Defined benefit scheme

The Group also maintains a closed defined benefit scheme which has approximately 100 members, all of whom are either pensioners or deferred members. The scheme, which is regulated by the Pensions Act 2004, is closed to future accrual but retains a salary link. Benefit payments are from trustee administered funds and scheme assets are held in trusts which are governed by UK regulations. Responsibility for governance, including investment decisions and contribution rates, lies jointly with the Group and trustee board. The board is comprised of representatives of the Group and members in accordance with the trust deed and rules.

The scheme is exposed to the risks of asset volatility, investment risk, inflation risk and longevity risk.

At 30 April 2021 the net pension liability includes an adjustment of £1,910,000 (2020: £1,315,000) in relation to the asset ceiling. This adjustment increases the IAS 19 accounting liability to reflect committed cash contributions and thus avoiding the recognition of an irrecoverable pension asset.

Notes (continued)

16 Pension schemes (continued)

The amounts recognised in the statement of financial position are as follows:

| | 2021 £000 | 2020 £000 |
|--|-------------------|-------------------|
| Present value of funded obligations | 23,120 | 23,952 |
| Fair value of plan assets | (25,030) | (23,206) |
| Asset ceiling | 1,910 | 1,315 |
| | <u> </u> | <u> </u> |
| Recognised liability for defined benefit obligations | - | 2,061 |
| | <u> </u> | <u> </u> |

The pension scheme assets do not include any assets from the Group's own financial instruments or property occupied by, or other assets used by, the Group.

The amounts recognised in the income statement are as follows:

| | 2021 £000 | 2020 £000 |
|---|-------------------|-------------------|
| Amounts recognised in Finance expenses | | |
| Interest on net pension scheme liability | 16 | 71 |
| Amounts recognised in Staff costs | | |
| Past service cost | 4 | 6 |
| | <u> </u> | <u> </u> |
| | 20 | 77 |
| | <u> </u> | <u> </u> |

Changes in the present value of the defined benefit obligation are as follows:

| | 2021 £000 | 2020 £000 |
|------------------------------------|-------------------|-------------------|
| Opening defined benefit obligation | 23,952 | 22,443 |
| Past service cost | 4 | 6 |
| Interest cost | 376 | 539 |
| Actuarial (gains)/losses | (294) | 1,868 |
| Benefits paid | (918) | (904) |
| | <u> </u> | <u> </u> |
| Closing defined benefit obligation | 23,120 | 23,952 |
| | <u> </u> | <u> </u> |

Changes in the fair value of plan assets are as follows:

| | 2021 £000 | 2020 £000 |
|-------------------------------------|-------------------|-------------------|
| Opening fair value of plan assets | 23,206 | 20,168 |
| Expected return on plan assets | 381 | 506 |
| Actuarial gains on plan assets | 264 | 1,526 |
| Contributions from employer | 2,098 | 1,910 |
| Benefits paid | (919) | (904) |
| | <u> </u> | <u> </u> |
| Closing fair value of scheme assets | 25,030 | 23,206 |
| | <u> </u> | <u> </u> |

Notes (continued)

16 Pension schemes (continued)

Changes in the fair value of the asset ceiling are as follows:

| | 2021 | 2020 |
|---|-------|-------|
| | £000 | £000 |
| Opening fair value of the asset ceiling | 1,315 | 1,579 |
| Interest cost | 21 | 38 |
| Change in asset ceiling | 574 | (302) |
| | 1,910 | 1,315 |
| | 1,910 | 1,315 |

The major categories of plan assets are as follows:

| | 2021 | 2020 |
|--------------------------|--------|--------|
| | £000 | £000 |
| Diversified growth funds | 5,347 | 4,403 |
| Gilts | 5,852 | 7,931 |
| Cash | 3,402 | 5,023 |
| Passive Equity | 3,772 | 3,020 |
| Multi Sector Credit | 6,657 | 2,829 |
| | 25,030 | 23,206 |
| | 25,030 | 23,206 |

The fair value of diversified growth funds, gilts, passive equity and multi sector credit is determined by their bid market value at 30 April 2021.

Analysis of the amount recognised in the statement of comprehensive income:

| | 2021 | 2020 |
|---|------|------|
| | £000 | £000 |
| Total actuarial losses recognised in the year | (17) | (40) |
| | (17) | (40) |

The principal actuarial assumptions at the balance sheet date:

| | 2021 | 2020 |
|--------------------------------|---------------------|---------------------|
| Discount rate | 1.90% | 1.60% |
| Future salary increases | 3.25% | 2.60% |
| Future CPI inflation | 2.65% | 2.05% |
| Pension increases: | | |
| • RPI (minimum 3%, maximum 5%) | 3.65% | 3.35% |
| • CPI (minimum 0%, maximum 3%) | 2.30% | 1.90% |
| Mortality | | |
| Actuarial table used | S2 PXA YOB CMI-2019 | S2 PXA YOB CMI-2019 |

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity.

Notes (continued)

16 Pension schemes (continued)

Sensitivity analysis

The calculation of the defined benefit obligation at balance sheet date is sensitive to the assumptions below. Changes in the respective assumptions would have increased/(decreased) the defined benefit obligation as follows:

| | 2021 £000 | 2020 £000 |
|---------------------------------|--------------|--------------|
| Discount rate increased by 0.1% | (285) | (295) |
| Future salary increased by 0.1% | - | - |
| RPI inflation increased by 0.1% | 106 | 117 |
| CPI inflation increased by 0.1% | - | - |

The above analysis assumes that assumption changes occur in isolation.

Funding

Contributions in relation to member benefit augmentation accrual ceased with effect from 1 December 2020 as there are no remaining members accruing this benefit. In addition, the final deficit reduction contribution due under the existing Schedule of Contributions was received in April 2021 (totalling £2,094,437). The next triennial actuarial valuation, as at 1 May 2021, is currently underway. If a deficit is revealed on the funding basis, the Trustees and the Company will need to agree a revised Schedule of Contributions and Recovery Plan to eliminate this deficit.

17 Commitments

Total commitments were as follows:

| | Land and Buildings | |
|-------------------------------------|--------------------|--------------|
| | 2021 £000 | 2020 £000 |
| Leases which expire within one year | 291 | 268 |
| | 291 | 268 |
| | 291 | 268 |

Commitments represent short term leases not meeting the Group's capitalisation policy under IFRS 16.

There were no contingent liabilities at 30 April 2021 or 30 April 2020.

Notes *(continued)*

18 Share capital

| | 2021 | 2020 |
|-------------------------------------|--|--|
| Ordinary shares of 0.1p each | Allotted and issued Number 000s | Allotted and issued Number 000s |
| At beginning and end of year | 46,156 | 46,156 |

Ordinary shares carry certain rights, including full voting rights and the right to be paid a dividend if and to the extent such a dividend is declared at the discretion of the board. The ordinary shares are non-redeemable and fully paid.

Other reserves

Other reserves at 30 April 2020 and 30 April 2021 represent a Capital redemption reserve of £24,000.

19 Profit for the year

The parent Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income statement in these financial statements. The Group profit for the year ended 30 April 2021 includes a parent Company profit after tax of £36,247,000 (2020: £18,770,000).

20 Related parties

Identity of related parties

The Group has a related party relationship with its subsidiaries, its immediate and ultimate parent companies and with its directors.

Turner & Townsend Limited has adopted the exemption (note 1) from disclosing transactions with fellow wholly owned subsidiaries of the ultimate parent company, Turner & Townsend Partners LLP.

Transactions with key management personnel

Key management of the Group is through the executive directors of the Company. The main transactions with these individuals are disclosed in note 4.

21 Business combinations

During the year the Group purchased 30% of the share capital of Taurus Project Controls Consulting LLC for £2,970,905 increasing its shareholding from 70% to 100%. The transaction has not resulted in a change of control. The carrying amount of non-controlling interest has been adjusted to reflect the change in interest in the subsidiary. The difference between this and the fair value of consideration paid has been reflected in equity.

Notes *(continued)*

22 Ultimate parent undertaking and parent company of larger group

The Company is a subsidiary undertaking of Turner & Townsend Holdings Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is Turner & Townsend Partners LLP, a Limited Liability Partnership incorporated in the England and Wales.

The largest group in which the results of the Company are consolidated is that headed by Turner & Townsend Partners LLP, a Limited Liability Partnership incorporated in England and Wales. The consolidated financial statements of this group are available to the public and may be obtained from the registered office (Low Hall, Calverley Lane, Horsforth, Leeds, LS18 4GH, UK).

23 Fixed asset investments

| | Company subsidiary undertakings £000 |
|--|---|
| Cost and net book amount At 30 April 2020 and at 30 April 2021 | 6,907 |
| Cost and net book amount At 30 April 2019 and at 30 April 2020 | 6,907 |

Notes (continued)

23 Fixed asset investments (continued)

The companies in which Turner & Townsend Limited has an interest are as follows:

| Subsidiary undertakings | Address | Country of registration or incorporation | Ownership | Class of shares held |
|--|--|--|-----------|----------------------|
| Turner & Townsend Group Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| <i>Subsidiary undertakings of Turner & Townsend Group Limited:</i> | | | | |
| Turner & Townsend UK Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Turner & Townsend Cost Management Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Turner & Townsend Project Management Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Turner & Townsend Consulting Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Turner & Townsend Contract Services Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Turner & Townsend Suiko Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Turner & Townsend International Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Turner & Townsend Europe Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Turner & Townsend Energy Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Turner & Townsend Nominees Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Turner & Townsend Property Services Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Standard Method Publications Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Turner & Townsend Infrastructure Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Turner & Townsend USA Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Turner & Townsend Russia Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Turner & Townsend Africa Limited | Low Hall, Calverley Lane, Horsforth, Leeds LS18 4GH | England & Wales | 100% | Ordinary |
| Asset Management Consulting Limited | 221 St John Street, Clerkenwell, London, EC1V 4LY | England & Wales | 60% | Ordinary |
| AMCL Europe Limited | 221 St John Street, Clerkenwell, London, EC1V 4LY | England & Wales | 60% | Ordinary |
| Asset Management Academy Limited | 221 St John Street, Clerkenwell, London, EC1V 4LY | England & Wales | 60% | Ordinary |
| AMCL Systems Engineering Limited () | 221 St John Street, Clerkenwell, London, EC1V 4LY | England & Wales | 60% | Ordinary |
| Turner & Townsend Inc | 10777 Westheimer Road, Suite 1160, Houston, Texas, 77042 | USA | 100% | Ordinary |
| Turner & Townsend AMCL Inc | 11 East 26 th Street, Floor 5, New York, NY, 10010 | USA | 100% | Ordinary |
| Turner & Townsend Canada Inc (formerly, Turner & Townsend cm2r Inc) | 2 St. Clair Avenue West, 12 th Floor, Toronto, Ontario, M4V 1L5 | Canada | 100% | Ordinary |
| Taurus Project Controls Consulting LLC | 68 Elm Street, Andover, Massachusetts, 01810 | USA | 100% | Ordinary |
| Turner & Townsend GOV LLC | 475 Park Avenue South, 11th Floor, New York, NY, 10016 | USA | 100% | Ordinary |
| Turner & Townsend Limitada | Av. Apoquindo 2827, Oficina 202B, Las Condes, Santiago, CP 7550268 | Chile | 100% | Ordinary |
| Turner & Townsend Consultoria Limitada | Continental Square, Faria Lima, Rua Olimpíadas 205, Vila Olímpia, São Paulo | Brazil | 100% | Ordinary |
| Turner & Townsend S.A.C. | Av. Emilio, Cavenecia 151, Torre Cavenecia, Oficina 701, Miraflores | Peru | 100% | Ordinary |
| Turner & Townsend S.A. | Bosque de Ciruelos 180 PP 101, Bosques de las Lomas Delegacion Miguel Hidalgo Cp 11700, Ciudad de Mexico | Mexico | 100% | Ordinary |
| Turner & Townsend S.A.S. | Calle 16, No. 97-46, Piso 6, Bogota | Colombia | 100% | Ordinary |
| Turner & Townsend S.A. | Bouchard 710 - 1 ^o Piso, Buenos Aires, C1106ABL | Argentina | 100% | Ordinary |
| Turner & Townsend GmbH | Sankt-Martin-Strasse 106, 81669 Munich | Germany | 100% | Ordinary |
| Turner & Townsend (Frankfurt) GmbH | Bettinastraße 62, 60325 Frankfurt am Main | Germany | 100% | Ordinary |
| Turner & Townsend Sarl | 4 Place de l'Opera, 75002, Paris | France | 100% | Ordinary |
| Turner & Townsend SL | CL Prim No 19, 28004 Madrid | Spain | 100% | Ordinary |
| Turner & Townsend OOO | Bolshaya Nikitskaya Str. 12/1, Moscow, 125009 | Russia | 100% | Ordinary |
| Turner & Townsend Schweiz GmbH | Innere Margarethenstr 5, 4051 Basel | Switzerland | 100% | Ordinary |
| Turner & Townsend Limited | Ashford House, 18-23 Tara Street, Dublin 2, D02 VX67 | Republic of Ireland | 100% | Ordinary |

Notes (continued)

23 Fixed asset investments (continued)

| | | | | |
|---|--|--------------|------|-------|
| Turner & Townsend A.B. | Grev Turegatan 30, 114 38 Stockholm | Sweden | 100% | Ordin |
| Turner & Townsend sp z.o.o. | Al. Jerozolimskie 56C, 00-803, Warszawa | Poland | 100% | Ordin |
| Turner & Townsend A.S. | Sandviga 7, 4007 Stavanger | Norway | 100% | Ordin |
| Turner ve Townsend Proje Hizmetleri Limited Sirketi | Esentepe Mah, Büyükdere Cad, Levent Plaza, Blk.Ap.173/31/735 AA60, Istanbul | Turkey | 100% | Ordin |
| Turner & Townsend Pty Limited | Turner & Townsend House, cnr Frickers Chaplin Rd, Illovo, 2196 | RSA | 100% | Ordin |
| Turner & Townsend Pty Limited | PO Box 406, Gaborone | Botswana | 100% | Ordin |
| Turner & Townsend Limited | Course View Towers, 21 Yusuf Lule Road, Nakasero, Kampala | Uganda | 100% | Ordin |
| Turner & Townsend Limitada | Maputo Cidade, Central Av Vladimir Lenine, No.174, 1 Andar Millenium Park | Mozambique | 100% | Ordin |
| Turner & Townsend Limited | 2 nd Floor, The Courtyard, General Mathenge Drive, Westlands, Nairobi | Kenya | 49% | Ordin |
| Turner & Townsend Limited | Plot No.574, Haile Selassie Road, PO Box 1160, Dar es Salaam | Tanzania | 100% | Ordin |
| MML Turner & Townsend Holdings Ltd | Les Cascades Building, Edith Cavell Street, Port-Louis, 11324 | Mauritius | 80% | Ordin |
| MML Turner & Townsend Ltd | 2 nd Floor, The Courtyard, General Mathenge Drive, Westlands, Nairobi | Kenya | 80% | Ordin |
| Turner & Townsend Rwanda Limited | Kacyiru, Gasabo, Umujiyi wa Kigali, RWANDA, PO Box 6571 | Rwanda | 100% | Ordin |
| Turner & Townsend Nigeria Limited | KPMG Tower, Bishop Aboyade Cole Street, Victoria Island, Lagos | Nigeria | 99% | Ordin |
| Turner & Townsend Qatar LLC | Salam Towers, 3 rd Floor, Corniche Road, West Bay, Doha | Qatar | 49% | Ordin |
| Turner & Townsend LLC | Salam Towers, 3 rd Floor, Corniche Road, West Bay, Doha | Qatar | 49% | Ordin |
| Turner & Townsend LLC | Muscat Governorate, Bawshar, South Alkhuwair, PO Box 1036, Post Code 133 | Oman | 65% | Ordin |
| Future Management General Services & Project Management LLC | Building 2/3/118, St 12, Q 903, Safi Aldin Al-Hilly Street, Baghdad | Iraq | 100% | Ordin |
| Turner & Townsend AlBassam Engineering Consultancy | Alkhobar, Saudi Arabia | Saudi Arabia | 75% | Ordin |
| Turner & Townsend (Shanghai) Co Ltd | Rm903-23, 65 Chifeng Rd, Yangpu District, Shanghai | China | 100% | Ordin |
| Turner & Townsend Pte Limited | Gateway East 27-05/08, 152 Beach Road, Singapore 189721 | Singapore | 100% | Ordin |
| Turner & Townsend Sdn Bhd | Lot 6.05, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya | Malaysia | 70% | Ordin |
| Turner & Townsend Project Services Sdn Bhd | Lot 6.05, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya | Malaysia | 100% | Ordin |
| Turner & Townsend Consulting Limited | Unit 201, 2/F Pioneer Place, No33 Hoi Yuen Rd, Kwun Tong, Kowloon | Hong Kong | 100% | Ordin |
| Turner & Townsend Limited | Unit 201, 2/F Pioneer Place, No33 Hoi Yuen Rd, Kwun Tong, Kowloon | Hong Kong | 94% | Ordin |
| Turner & Townsend Brechin Shenzhen Co Ltd | Unit 1203, Shenhua Commercial Building, Jiabin Road, Luohu District, Shenzhen | China | 94% | Ordin |
| Turner & Townsend Macau Ltd | Unit 1105, AIA Tower, Nos. 251A-301 Avenida Comercial de Macau | Macau | 94% | Ordin |
| Turner & Townsend Pvt Limited | 02/03 Ground Floor, B Wing Art Guild House, Kurla West, Mumbai City, MH 400070 | India | 99% | Ordin |
| Cong Ty TNHH Turner & Townsend | Centec Tower Level 4, 72-74 Nguyen Thi, Minh Khai, District 3, Ho Chi Minh City | Vietnam | 100% | Ordin |
| P.T. Turner & Townsend | World Trade Center 5, 6F, JL Lend Sudirman, Kav 29, Jakarta 12920 | Indonesia | 100% | Ordin |
| Turner & Townsend Inc | 24 th Floor Philam Life Tower, 8767 Paseos De Roxas, Makati City | Philippines | 100% | Ordin |
| Turner & Townsend KK | 14F Kamiyacho MT Bldg, 4-3-20 Toranomon, Minato-ku, Tokyo | Japan | 100% | Ordin |
| Turner & Townsend Pty Limited | Level 13, 140 Creek Street, Brisbane, Queensland 4000 | Australia | 100% | Ordin |
| Turner & Townsend (Australia) Pty Ltd | Level 13, 140 Creek Street, Brisbane, Queensland 4000 | Australia | 100% | Ordin |
| Turner & Townsend Thinc Group Holdings Pty Ltd | Level 13, 140 Creek Street, Brisbane, Queensland 4000 | Australia | 100% | Ordin |
| Turner & Townsend Thinc Pty Limited | Level 13, 140 Creek Street, Brisbane, Queensland 4000 | Australia | 100% | Ordin |
| Turner & Townsend Thinc Health Australia Pty Ltd | Level 13, 140 Creek Street, Brisbane, Queensland 4000 | Australia | 100% | Ordin |
| Turner & Townsend Thinc New Zealand Pty Ltd | 152 Fanshawe Street, Auckland, 1010 | New Zealand | 100% | Ordin |
| AMCL Pty Limited (60%) | Level 13, 140 Creek Street, Brisbane, Queensland 4000 | Australia | 60% | Ordin |

Notes (continued)

23 Fixed asset investments (continued)

Joint venture undertakings of Turner & Townsend Group Limited:

| | | | | |
|--------------------------------|--|-----------------|-----|-------|
| TECHT Limited | Arcadis House, 34 York Way, London, England, N1 9AB | England & Wales | 50% | Ordin |
| Turner & Townsend Korea Co Ltd | City Air Tower Building, 159-9 Samseong-dong, Gangnam-gu, Seoul, 135-973 | South Korea | 50% | Ordin |

In each case the Group's interest is 100% of the ordinary share capital of the undertaking, unless otherwise stated. The principal activity of all subsidiaries and joint venture undertakings is construction and management consultancy services.