REGISTERED NUMBER: 737204

VINCI PLC

CONSOLIDATED
ANNUAL REPORT
FOR THE YEAR ENDED
31ST DECEMBER 2021

Company Information

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Group Profile

VINCI PLC
VINCI PLC is the holding company of a contracting group principally trading in the UK through three main divisions: Building, Facilities and Civil Engineering. These are further supplemented by the other divisions mentioned below. VINCI PLC ranks among the top 20 contractors in the UK and is 100% controlled by VINCI S.A. which is one of the major contracting companies in the world. The main trading entity in the UK of the VINCI PLC group is VINCI Construction UK.

Building
VINCI Construction UK Limited's Building division has a well-established presence in many regions in the UK: Widnes (North-West), Wakefield (North-East), Cambourne (East-Anglia), London, Reigate (South-West), Cardiff & Bristol (West and Wales). The Building division is active in many sectors, particularly industrial, health, education, retail and commercial. Its roots come from the century-old heritage of Norwest Holst, acquired by VINCI in 1991.

VINCI Facilities
VINCI Facilities in the UK operates two business lines: Facilities Management and Building Solutions.
Through VINCI Facilities, we provide soft and hard facilities management, mechanical, electrical and building maintenance solutions to both the public and private sectors. VINCI Facilities operates in a range of sectors which include health, local and central government, defence, social housing, retail and commercial offices. The services are delivered through five customer-focussed business units: two Facilities Management and Technical Services units which operate on a national basis and three regionally focussed Building Solutions businesses.

Taylor Woodrow
Taylor Woodrow is the civil engineering division of VINCI Construction UK Limited. A national civil engineering contractor with a recognised brand and reputation, Taylor Woodrow is known for excellence in undertaking complex major projects. Its primary sectors of activity are: transportation – rail; depots; highways; bridges; light rail including trams; energy – energy from waste; renewables, and nuclear decommissioning.

VINCI Technology Centre UK Limited
The Technology Centre offers specialist consultancy and testing services in the areas of compliance, environment, materials and structures. Its main markets are nuclear, construction products, structure and environmental testing for all types of construction projects including major projects, property FM and consultants.

It has an unrivalled heritage of over 50 years of research, development and innovation together with extensive facilities at its Leighton Buzzard campus that make it unique in the UK construction industry. It is a key differentiator for VINCI Construction UK Limited and is progressing with an enhanced remit of adding value to the business by helping to improve productivity and efficiency.

VINCI UK Developments Limited
VINCI UK Developments is the property development and investment arm of VINCI PLC, pursuing development activities in the UK. In this activity, it considers committing and leveraging funds to finance projects whenever necessary. It is also a shareholder in, and provides management services for, operational PFI schemes. The company focuses on development opportunities in both standalone initiatives and within joint-venture partnerships. It can both collaborate with, and develop opportunities independently from, other elements of VINCI PLC, as appropriate.

Conren Limited
Conren Limited manufactures and sells its range of resin surfacing and waterproofing products in the U.K. and overseas and offers contracting services to install its products on construction sites in the U.K. The Company's focus remains on providing a quality product, excellent technical customer support and an unrivalled installation service.

Business Model

The Group's business model is based on operating across the value chain to meet a range of customer requirements. The company offers designed solutions using its skills in development, funding, design & build, maintenance testing and eventual decommissioning of projects.

Through the strong regional and national presence of our building and civil engineering operations, we pursue business opportunities, mainly across England and Wales.

Our jobs often involve complex project management and are supported by our Technology Centre, or by other VINCI companies providing high-end technical solutions. Also, through VINCI Facilities (our facilities division), where contracts can sometimes extend over 30 years, we are able to take a long-term operational approach to certain projects.

This approach is combined with a decentralised divisional structure. This independence drives accountability and autonomy and maximises entrepreneurial activity.

Together, our approach across the contractor's value chain, our geographical network and the decentralised management model form the backbone of our company ethos. They are essential to enabling the Group to create value, minimise risk and achieve sustainable business success.

Business Risks

The continued success of the Group depends upon management's ability to identify and manage risks which are inherent in the type of activity we are engaged in. These risks fall into specific areas, all of which have the potential to impact on the success of the Group.

- Covid-19 Impact and Risk

Since the beginning of the pandemic in March 2020 it has been key for our business to ensure it operates in accordance with current government regulations and guidance (such as social distancing, working from home and closure of sites). In general the Company has been able to successfully adapt our business operations to suit these.

Following the lifting of travel and social distancing restrictions early in 2021 which were previously in place due to the Covid-19 pandemic, monthly Management Board meetings have resumed as face-to-face meetings replacing video conference calls. The monthly meetings are used as a forum to provide updates on performance against objectives, review risks and also to make strategic decisions on the future of the business. The main VCUK trading Divisions also hold senior management meetings on either a monthly or bi-monthly basis, where divisional performance, risks and future strategy are discussed.

Business Risks (continued)

- Supply Risk

Currently material shortages and delivery issues are our main risks. We believe these have been caused by a mixture of Brexit and the Covid pandemic. To mitigate the risk on our building projects, some of the schemes have been forward ordering goods months in advance to secure deliveries. In certain instances this has created a higher than normal level of Work in Progress within the division. The central Supply Chain & Purchasing team are also providing regular updates to the business and assisting, to mitigate where possible, issues which are arising on material deliveries.

Another current risk is staff recruitment and retention. Due to large infrastructure schemes, particularly HS2, taking place in the UK currently, the demand for good resource is high and we are seeing inflated salaries being sought. Plus, for office-based workers who have been working from home during the pandemic, there is a challenge for some in returning to a 'normal' office working pattern. Both situations are being monitored by management.

- Financial Risk

The principal financial risks that we face are associated with our ability to accurately estimate the costs of carrying out the contracts in which we engage, the risk of properly incurring and controlling those costs, the ability to recover costs under the payment terms of all contracts, and the financial standing of our clients, sub-contractors and suppliers in terms of their ability to discharge their obligations to us.

The Group controls these risks in a number of ways. The Group is highly selective in the type of work that it tenders for in terms of the project size, location, complexity and contract duration. These criteria are examined for each business unit and are specific to them to ensure that their capabilities are used to best effect. The Group specialises in certain types of building, civil engineering and facilities projects in line with the areas where we have proven expertise. Tenders are controlled in accordance with a tender control policy and are authorised by directors according to their value and type. In accordance with VINCI procedures, tenders over set amounts are submitted to the VINCI Risk Committee in Paris for approval.

- Performance Risk

Delivering the works we are committed to in our contracts on time, with the necessary level of quality, productivity and safety is the core of our general contracting activity. The Group performs and controls these tasks through a decentralised organisation that empowers key managers at different levels incentivised on projects and by implementing a number of key processes to support the construction site production: design, preparation, installation, programme, procurement and supply chain management and control, updated budget, monthly accounts, quality and financial control.

- Health and Safety

The Group recognises the importance of the health and safety of all those employed in its offices and sites and operates policies to ensure that the risks associated with accidents and health are properly managed, controlled and reduced.

- The Environment

The Group recognises the importance of minimising the impact on the environment from activities such as site preparation, demolitions, earthworks and waste transport and is proactively managing this with procedures to measure and manage outputs and to set targets for reduction. An example of this is the group's compliance with The Streamlined Energy and Carbon Reporting regulations (See below).

Business Risks (continued)

- Risk Management.

As one of our key management processes, the Business Management Manual implemented across the Group directs senior managers to follow prescribed guidelines and procedures designed to identify, analyse and manage our major risks:

- Non-compliance with laws and regulations
- Default in protection of persons
- Default in protection of assets
- Poor tender quality resulting in inability to achieve commitments
- Poor quality in project delivery
- Financial information in relation to the Company and its projects accounts, performance management accounts and forecasts being unreliable

Internal control actions are led to make sure this is effectively delivered across the organisation.

Section 172 Compliance Statement

The Directors confirm that they are compliant with Section 172 of the Companies Act 2006, that is, their duty to promote the success of the Company for the benefit of all members. In doing so the Directors have regard, amongst other matters, to the following:

(i) The likely consequences of decision making
As with other large organisations, the Directors fulfil their duties partly through a governance framework that delegates day-to-day decision making to employees of the Company. The Directors maintain oversight of the Company's performance and are responsible for ensuring that management acts in accordance with the strategy and plans agreed by the Board.

In making decisions concerning the Business Plan and future strategy the Directors have regard to a variety of matters, including the consequences of its decisions in the long-term and its long-term reputation. As part of this, the Board recognises that it is key that we effectively identify, evaluate, manage and mitigate the risks we face.

(ii) The need to foster relationships with suppliers, customers and others
The Group engages with a fully compliant and diverse supply chain and has strategic partnerships with a number of large national suppliers. It supports local economies by engaging with local suppliers and SMEs. We are fully aware and embrace our responsibilities to support the local economy and our duty to create jobs and improve people's lives.

The Group is committed to continuous improvement, to capturing innovation, and to sustainable development. Our supply chain strategy is designed to encourage openness, trust and collaboration and we have created set processes and guidelines to ensure that these aspirations underpin the way we work.

Our supply chain partners are supported in their training and development and have access to VINCI Academy e-learning modules. We are also a partner to the Supply Chain Sustainability School, which provides free training and resource for suppliers to assess and improve their knowledge of sustainability.

We pride ourselves on a strong partnership culture. A skilled supply chain that feels integral to our business is most capable of helping us to deliver outstanding quality projects on time and within budget.

We are committed to treating our supply chain partners fairly in respect of payment for works done. Our payment terms are seen as leading within the industry. This can be seen from the Duty to Report Payment Practices and our signing up to the Prompt Payment Code.

Section 172 Compliance Statement (continued)

(iii) The impact of company operations on the community and the environment

We are committed to understanding, respecting and making a positive difference to each community within which we work. We work closely with clients to create projects that support and serve local communities. We understand the catalytic and multiplier effects of VINCI's spend within commercial and social economies.

We set annual social value objectives and measure performance. Our social value strategy includes themes such as community legacy, local expertise and skills, waste, biodiversity and carbon. Further information on these themes is provided in the Academy section on page 27 and the Environment section on page 25. The effective development of our strategy, combined with our key values of teamwork and innovation, ensures we focus on exceeding our stakeholders' requirements.

Where possible on our contracts, our aim is to employ a diverse workforce while maximising project spend within a 20-mile radius of the site. Not only does this protect the local pound, it helps achieve a sense of belonging within the community, while reducing our sites' carbon footprint significantly. We make decisions about appointment on subcontractors based on locality, value and competency.

Through environmental management and resource efficiency plans we will identify ways to minimise impact and maximise innovation. We are committed to ensuring each project considers its approach to sustainable delivery, as per our environmental management policy.

We create an environmental management plan, detailing the systems, monitoring and auditing to achieve each project's objectives sustainably. We undertake an environmental risk assessment to address planning, design, preconstruction, construction, commissioning and handover.

We fully document efficient use of resources and record consumption, using a resource efficiency management plan and our recording system, Footprint. Footprint, evidences chain of custody, records waste diverted from landfill, water consumption/recycling data, monitors CO2 emissions/carbon reduction and ensures our timber procurement is from Category A certification schemes.

If waste cannot be eliminated or is a by-product of operations, our standard is to reuse or recycle.

We are proud of the high number of best practice Considerate Constructors Scheme awards received. Achieving these high standards requires us to run well organised and managed construction projects.

Further details of our environmental management plans are given in our Streamlined Energy and Carbon Reporting (SECR) disclosure on page 8.

Section 172 Compliance Statement (continued)

(iv) Engagement with and regard to the interests of employees (impact of decision making)

Team engagement is high on our agenda and is currently at 77% in the Group, as measured in our annual survey. The survey is a direct method of listening to team members' views across a number of key business areas each year. Feedback gathered directly informs the actions in our annual business plan.

Face-to-face briefings with Directors are held regularly to provide feedback on business plan progress, news of future opportunities and to allow two-way dialogue with team members. In addition to this, a range of communications is produced for both internal and external audiences to keep employees informed and to promote business achievements.

Within our business several initiatives are in place to help us to improve the image of the industry, raise awareness of the opportunities available and to improve local recruitment, including work experience placements, site visits and events such as Build UK Open Doors Week.

Working with local schools and colleges allows us to promote the career and development opportunities available within VINCI and our industry. "Think global, act local" could be used to describe our approach which, by combining our corporate responsibility and employment policies, allows our project teams flexibility in how they deliver at the project level.

In conjunction with the National Apprenticeship Service, we follow a Modern Apprenticeships model to offer people aged over 16 the chance of paid employment at craft, technician and management level.

(v) High standards of business conduct

The Group's business model is set out on page 3.

As the Board of Directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours.

On a regular basis the Board reviews the Group's Ethics Policy. It has recently introduced a new code of ethics and anti-bribery programme and issued a modern slavery statement to demonstrate our commitment to seeking to ensure that there is no slavery, forced labour or human trafficking in any part of our business or supply chain. Our whistleblowing (Safecall) process has long been in place.

(vi) Acting fairly between members of the Company

The Board includes Directors from, and works closely with, its parent company. It is important to us that our shareholders understand our strategy and objectives. We maintain regular, continuing dialogue with them to explain and discuss business performance and future plans.

Other key initiatives

Innovation

An innovative approach to adding value is vital to continued success in the current business environment. It remains vitally important that, through innovation, we maintain our drive to improve the efficiency of everything we do in order to maintain the highest standards and value for money that our clients rightly demand. We strive to provide innovative solutions to everyday problems and deliver projects ranging from traditional construction to the extremely complex.

Streamlined Energy and Carbon Reporting Disclosure

The Streamlined Energy and Carbon Reporting regulations (SECR) reflect the Government's ideology that mandatory reporting has a key role to play in influencing behavior because 'what gets measured gets managed'.

VINCI Construction UK Limited, being a large unquoted group, is required to disclose the following energy and carbon information for the year ending 31st December 2021.

VINCI PLC as a stand-alone entity isn't large enough to warrant the below reporting but the VINCI PLC group is. Out of the subsidiaries of VINCI PLC, only VINCI Construction UK Limited is large enough to require this disclosure and as a result the below information applies to VINCI Construction UK Limited (VCUK) only.

Energy and Carbon Reporting		**2021**		**Restated 2020**	
Scope	**Source**	**kWh Consumed**	**tco2e Emissions**	**kWh Consumed**	**tco2e Emissions**
1	Combustion of gas	4,098,997	751	2,499,034	459
1	Combustion of fuel for transport	17,991,182	4,242	14,879,681	3,563
1	Combustion of fuel for on-site uses (non-transport)	15,175,234	3,871	14,880,902	3,819
2	Purchased electricity	7,110,474	651	4,683,186	447
3	Business travel in rental/employee owned vehicles	735,243	170	678,591	158
	Totals	**45,111,130**	**9,685**	**37,621,394**	**8,445**
	Turnover		**1,166,349,000**		**849,192,000**
	Intensity ratio Tco2E/£M turnover		**8.30**		**9.94**

Streamlined Energy and Carbon Reporting Disclosure (continued)

Methodology

We have adopted the accounting and reporting principles of the Greenhouse Gas Protocol (Corporate Accounting and Reporting Standard) as the basis for our quantification and reporting methodology. We used the UK's 2021 DEFRA Conversion Factors (Condensed Set) for conversion between consumption units and tCO2e as this data set is most valid for the UK organisation.

Where measured data was not available, suitable estimations have been made, using the best available data and industry standard methods - for example CIBSE Guide F/TM46 benchmark data for static buildings, modelled consumption data for temporary accommodation and plant/equipment ratings for specialist testing activities.

VCUK continues to refine and evolve data capture processes to achieve confidence, accuracy and completeness of emissions reporting across all parts of our organisation. As a result, our 2020 emissions data has been recalculated and this SECR report reflects these numbers.

Unconsumed energy, which VCUK purchases for consumption wholly by our customers, has not been included in this report, as per the SECR Reporting guidance.

A small proportion of consumed energy is not practical to either measure or estimate and is therefore omitted from this report along with any associated Scope 2 CO2e emissions. The omitted energy relates to the use of tools and small plant items whilst undertaking works on a customer site where the energy is provided free of charge and unmeasured. We estimate that this energy consumption is negligible and would account for less than 0.5% of the total CO2e emissions for VCUK.

Energy efficiency

VCUK is committed to achieving Net Zero emissions by 2050 and, in order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets:

a) a long-term science-based target to reach net-zero value chain GHGs emissions by no later than 2050;
b) interim science-based targets across all relevant scopes and in line with the criteria and recommendations of the Science Based Targets initiative including;
c) A reduction in Scope 1 and 2 emissions by at least 40% by 2030 (based on a 2018 baseline)
d) A reduction in Scope 3 emissions by at least 15% (based on a 2019 baseline)

We project that carbon emissions will decrease over the next five years to 6,660 tCO2e by 2026. This is a reduction of 30% (Scope 1 and 2, with scope 3 TBC).

Completed Carbon Reduction Initiative

The following environmental management measures and projects have been completed or implemented since the 2018 baseline. We are ISO14001 accredited and our static facilities are ISO50001 accredited and have resource reduction plans in place.

Streamlined Energy and Carbon Reporting Disclosure (continued)

- Organisationally:

All business units have an established leadership role for sustainability. We have revised our approach to business planning to be aligned to the United Nations Sustainable Development Goals (UN SDGs). Emissions are relevant to goals 3, 6 through 9 and 11 through 17). As part of this, two sustainability leads from different operating divisions, attended the UN SDG Ambition UK pilot programme. These were the first representatives from a UK contracting / facilities management organisation to do so. It was through this process and following the lead of our parent company's own 'Environmental Ambition' (one strand of which is to 'Act for Climate') that we agreed the need to set the targets above. We have pledged to SBTi already, at the 1.5-degree level (and therefore are part of the Race to Zero). We have created a companywide (multiple VCUK divisions and Eurovia) environmental working group to share knowledge and set companywide targets and initiatives. We continue to report emissions via the Streamlined Energy and Carbon Reporting (SECR) programme and have for some time completed a Climate CDP submission. We actively engage with industry peers and influence policy through participative consultation, through Build UK and the CLC, RICS, CIOB, IEMA, CBI.

We have a policy of only using 100% renewable energy, confirmed by REGO certification, and are now exploring using a power purchase agreement to improve the credibility of our energy sourcing.

We have started electrifying all our company cars (currently 18% EV) and commercial vehicles (currently 13% EV), with an aim to completely remove combustion engines in the next four years. We are exploring electric, hydrogen and other alternative fuels as part of this mix and are working with VINCI group companies to start the process of installing more AC and DC EV charging or solar powered charging points at all static sites to power the electric part of this fleet, with EV charging points have now been installed at our Leighton Buzzard office and test facility, and our headquarters in Watford, where we have also installed energy saving LED lighting in our car parks.

Our Facilities Management Division utilises ISO20121, to ensure carbon emissions are reduced as far as practical for internal events, using local and seasonal catering, public transport and coordinated travel, avoiding the use of taxis.

We are in the process of completing an assessment of all Scope 3 emissions to cover the period 2018–2020.

- Behaviourally:

Strategies and tactics are owned by senior managers in the business, who are held accountable for the ongoing measurement, monitoring and achievement of these.

We have been running a consistent communication campaign with the employee base since the move to UN SDGs for strategic planning. Each Business Unit produces a business plan summary, which is distributed to every employee, each year. This is structured to introduce and explain the UN SDGs, and why we need to take action. These strategies are developed and established on the basis of a 'line of sight' approach. They include our targets and objectives, beyond the high-level ambition stated above. This provides, at an individual level, a call to action. This is linked to individual development plans so that everyone is aligned with and is contributing to our top-level sustainability (including carbon) targets. We have launched two sets of environmental awareness e-learning modules and made them mandatory for all staff and we have held two VCUK 'Environment days', which are now a national stand down at all sites and offices to discuss environmental issues (including emissions). We have begun engaging staff directly on certain issues, for example, in green travel surveys, to highlight the impact of commuting on emissions.

Streamlined Energy and Carbon Reporting Disclosure (continued)

- At a project level:

We have improved our policies on emissions to air (GHGs, but also noise, light, dust, vibration) and we have changed all versions of site and office inspection (be that site led, senior management led, HSEQ team led etc.) to always include observation of environmental impacts, including use of carbon to raise the profile of the issues. We have linked our existing site and office-wide measurement and reporting of environmental indicators that contribute to emissions (water, waste, energy, fuel and raw material use, deliveries to site, business miles etc.) to a PowerBI visualisation platform. This allows projects to have live visualisation of emissions and consumption.

We have started trials of ultralow carbon concrete in live projects and we have been working with Sunbelt Rentals, our current sole supply plant company, we have been trialing and using their latest environmental products and solutions. We have:

• Introduced next generation battery hybrid units to work in conjunction with site generators, with automatic switchover and load management.
• Started using telematics on plant, equipment and vehicles to monitor and address energy and fuel waste.
• Completed side by side trials of red diesel and HVO to prove the commercial viability of HVO to further reduce CO2 emissions for the generated power in the above arrangement. We are currently working to secure HVO supplies that avoid the reuse of palm oil feedstocks shipped from the Far East to Europe.
• Changed our first-choice tower light to a solar tower light where possible (or a hybrid where a small generator supports the onboard battery where not).
• Made eco cabins standard hires for all sites, which have demonstrably lower emissions, mainly through reduced energy and water consumption.
• Given a hire option for all welfare cabins and toilets to be solar assisted with battery backup. Our first deployment of this reduced fuel consumption by 90%.
• Moved away from petrol tools, replacing them with battery powered units, and now hire out solar charging stations for tools and equipment.
• Trialled electric site plant (our first trial was the Faresin EV telehandler and we currently have a 6m JCB EV telehandler on site to compare models).
• Begun hiring the latest Stage V combustion engine plant, reducing NOx, PM and fuel consumption.
• Started changing to EV delivery vehicles for lighter weight plant.

- Supply chain:

We have created a central sustainable procurement working group spanning all VCUK divisions and our central procurement team, assisted by an external consultant, Action Sustainability. We have been assessed against ISO20400, the guidance standard for sustainable procurement. Our intention is to improve against the standard year-on-year from 2021, until we reach 'industry leading'. The supply chain is an active part of the annual VINCI 'Environment day' stand down, and also has access to the two environmental awareness e-learning modules noted above. These cover our environmental objectives, initiatives, and best practice and how they can play an active part. We also hold monthly 'Team Briefs' where updates are given on current projects, and actively encourage feedback and suggestions for improvement.

We have started engaging the supply chain to form a current state assessment. We are a partner of the Supply Chain Sustainability School and promote membership to our supply chain. We encourage them to utilise SCSS learning material which includes modules such as 'reduce carbon, reduce costs', 'carbon reporting' and 'carbon reduction, offsetting and net zero' to baseline their sustainability knowledge. We have created a dedicated sustainable procurement policy to set our direction and outline the key priorities for the supply chain and how we procure. The policy commits us to 'assess our supply chain emissions, identify hotspots, and develop an action plan outlining key actions to be taken to reduce our Scope 3 emissions'

Streamlined Energy and Carbon Reporting Disclosure (continued)

- Customers:

We are starting to understand the embodied carbon in the materials we use for our Clients designs, but this will be a growing area of understanding for us and our respective Clients in the coming years. We include this embodied analysis in our wider whole life cost and carbon assessments; being used to inform decisions, supported by our in-house energy, asset management and data teams.

We are starting to have project specific carbon reduction plans at key Client levels for both construction and re-construction type projects. We see value engineering and buildability widening in the tendering phase. Pre-construction and Early Contractor Involvement phases will include challenges on what and how we build.

- Future:

Moving forward, VCUK plans to implement further energy efficiency and GHG reduction measures as we strive towards our Net Zero goals.

Divisional Performance and Outlook

Building Division

The Building division turnover in the UK recovered well from the dip last year to £485m (£381m in 2020), mainly as a result of a reduction in Covid-19 pandemic issues and the delayed awards now coming online. The operating profit amounted to £11.6m in the year, 2.4% of the turnover, which was a slight improvement on the previous year.

During the year we delivered a number of projects across a range of sectors, including:

Health
- Preston CCU, Phase II
- Royal Blackburn Hospital ED
- Kingston Dementia Nursing Home
- Royal Stoke, Demolition Works
- The Christie, Macclesfield
- UHMB Surgical Admissions
- Huddersfield Covid Ward 18
- Walsgrave CT Scanner

- Student Accommodation/Residential
  - East Park, Exeter (UPP), Phase II
  - 354-358 Oxford Street

- Education
  - Catalyst Building, Staffordshire

- MSCP
  - Sadlers Mead
  - Newcastle RVI

- Commercial / Retail / Industrial
  - Harlow Science Park
  - Ellesmere Port OPE Hub

And during the year we started some significant projects again across multiple sectors and continued on site with some of our larger projects.

Building Division (continued)

- Health
    - St Ann's, Phase II
    - Paterson Building, The Christie, Manchester
    - SLAM, Douglas Bennett House & Children and Young Persons Unit
    - Withybush & Glanwilli Hospitals
    - HCA, Birmingham
    - Swindon UTC
    - Blackpool CCU
    - Bournemouth & Poole Hospitals
    - Doncaster Electrical Upgrades
    - Huddersfield Hospital, ED
    - Project Red, Manchester
    - Oldham Phase IV
    - Lancaster Boiler House
    - Merseycare LSU
    - GMMH, Park House
    - Chesterfield UCV
    - Scarborough AMA
    - Derbyshire MH
    - Lincoln MH
    - Walsgrave ED

- Student Accommodation / Residential
    - New Victoria Residential
    - Plot 7, Perry Barr
    - UCL, East Pool Street
    - UWE, SAP 3
    - Glasgow Harbour Re-cladding

- Education
    - Kingston Community School

- MSCP
    - The Christie, Manchester
    - Sandwell & City Hospitals

- Commercial / Retail / Industrial
    - Trader Units, New Covent Garden Market
    - Marketfield Way
    - Chester Northgate + Tunnel Project
    - Festival Gardens, Liverpool
    - Guildhall, York
    - Albion Square, Hull

The Impact of the Covid-19 Pandemic

Whilst the pandemic undoubtedly had an effect on turnover last year, it appears that most of the project awards that were delayed have now come to fruition this year leading to a significant increase in turnover. This in itself has led to some problems on our sites where we have suffered from both labour and material shortages and latterly inflationary pressures.

Building Division (continued)

People
Throughout the year our senior management structure has remained predominantly unaltered, whilst our general staff numbers have increased to around 630 permanent employees, much in line with our increased turnover. Our voluntary churn rate remains low at less than 10%.

The employee engagement score measured this year against new metrics is at 79% which now sets the bar for the years ahead.

HSQE
This year we have fully embedded sustainability into our Business Plan aligning our commitments to the United Nations Sustainable Development Goals (UN SDGs). To support this, we have registered with SBTi at the 1.5°C level and set out our carbon objectives for the medium and long term. This will ensure that we meet or exceed the sustainability objectives of our parent.

Future Business and Tendering
Awards have been consistent throughout the year mainly in the health sector, but as inflation hit, our tender prices quickly outstripped the clients' budgets, leading to a slowdown in awards. However, we have secured nearly 90% of next year whilst still maintaining a significant preferred bidder list of work totalling over £900m. Whilst the workload for 2022 is expected to remain at 2021 levels, this is clearly dominated by opportunities in the North West and South East regions.

Civil Engineering Division (Taylor Woodrow)

The turnover budget for the Civil Engineering Division in the UK for 2021 was set at £242m and at third reforecast, we expected at year end to achieve £310m. The 2021 improvement in turnover to £319m was largely due to more works undertaken for HS2 on our Main Works Civils contract (MWCC) than forecast.

Our turnover forecast for 2022 is in a similar strong position as for 2021 with £346m secured of a predicted budget of £366m. However, the loss of the A417 highway project and the similar uncertainty around the A358 Highway project means that generating profitable turnover for 2023 will be the focus of the business in 2022.

Our Covid-19-secure plans implemented in 2020 have continued to allow us to stay fully operational with all our offices and sites remaining open with only localised requirements for isolation measures. We have continued to manage our teams working from home where appropriate which allowed social distancing measures to be applied and has therefore continued to limit the operational impact of the pandemic on our business.

Whilst securing a place on the National Grid Framework with VINCI Energies in 2020 was rightly seen as a success and a new direction for both businesses we have been unable to secure a project from the individual projects for which we have bid to date reflecting that breaking into a new market can be difficult.

However, our increased focus on the new energy markets has seen some early success with work secured on the ECI phases at the Fawley FAST project and at the Teeside Energy hub. We have also seen some early signs of improving prospects with TfL with 4 commissions awarded for ECI works at stations in London of which a number are expected to go to build in 2022/23.

We have continued to see a lack of opportunities in our traditional rail markets where spend on enhancements remains limited. Long term we do expect rail expenditure to return as it plays a significant part in both the economic regeneration of the UK, particularly in the north and the decarbonatization of transport.

The status of the ongoing projects during 2021 is as follows:

Energy

- Eco Park South – progress on the ground remains good in 2021 with significant ground works, FRC and steel erection works. However, material shortages particularly of steel have caused some delays which are being monitored carefully along with future packages yet to be let so wherever possible we can mitigate delays.
- Isle of Grain Gas Tanks – piling works commenced in the year and detailed planning for the delivery of the slip form continues, working with specialist suppliers including the provision of the concrete. The client has advised they will be willing to review the recent inflation in material prices even though this is a lump sum contract.
- Southampton to London Pipeline - the project has continued to ramp up in 2021, mobilising to site offices and delivering surveys in advance of the main works starting in late 2021 and then a significant ramping up of pipe installation in early 2022.

Highways

- M4 – All major structures work completed in 2021 with the focus moving to the installation of central reservation and environmental barriers. The Stop Detection Vehicle (SDV) system was installed in the western section allowing the client to fully open by year end should they choose to. The SDV for eastern section is ongoing to allow final commissioning and opening by May 2022
- A358 – The project continued to undertake the design and associated ground investigation and environmental surveys in the year in support of the design development and preparation of the Development Consent Order submission in 2022.

Civil Engineering Division (Taylor Woodrow) (continued)

High Speed Rail 2

- Old Oak Common Station – Our JV continues to expand as the work volume increases. The main box construction (D-Wall and plunged column piling) commenced earlier in the year and the major FRC works is commencing before year end. The co-located offices which will hold up to 500 staff are being finalised to open in January 2022.
- Main Works Civils N1N2 - Activity on the project has ramped up throughout the year as more work fronts have been created. We will start the first TBM at Long Itchington Wood before the end of the year and have mobilised a large fleet of earthmoving plant from VINCI Construction Terassement. The project team is now over 1600 people and will continue to grow throughout 2022.

Transport for London

- Step Free Access – All major works completed on the 3 sites in the year with just the final commissioning of the lifts at Harrow on Hill which is being undertaken by London Underground with our support. We are pushing for this to complete by year end, but due to the client's requirements this may now be in early 2022.
- Whitechapel Crossrail Station – We continue to support the client with the final closeout and commissioning activities required to allow the opening of the station with the rest of Crossrail planned in late 2022. Under a separate contract to TfL we are also negotiating to remove the Temporary Ticket and return the associated area to the local authority

Rail

- Norwich Crown Point Depot – We have continued to work successfully with Abellio through 2021 meeting their emerging scope and new requirements in order to support the introduction of the new Stadler Train fleet. Remaining works the client is asking us to do will continue into early 2022 when the project will conclude.

Strategic Infrastructure

- Meridian Water – work on the design and surveys has continued in 2021 which has been challenging as we seek to keep the project within the client's budget and final setting of our price. Once our price is agreed, main works are due to start in Q2 2022.

Taylor Woodrow Professional Services

- We have seen increased activity in the Professional Services with new commissions and support for ECI phases on projects for TfL, Gatwick, Arup, Arcadis and National Highways.

People

The number of permanent staff employed in Taylor Woodrow increased from 2020 levels as the workload on HS2 particularly ramped up. Permanent Taylor Woodrow staff now stands at 686 compared to 532 in 2020.

HSEQ

We continue to roll out our safety behavioural programme *'Think Again'* which has become well embedded in our business. Our safety performance remains good at 0.04, but below the challenging target we set ourselves for an AFR of 0.02 which is a good industry benchmark, and not as good as we would like. Our LTI for the year has ranged from between 0.07 and 0.11 and therefore at or below our target of 0.07, but we expect to finish the year back at our target level.

We have continued to have a very good environmental performance across our projects supported by our *Respect & Protect* programme, with on one serious (Level 1 or 2) environmental incident throughout 2021.

Civil Engineering Division (Taylor Woodrow) (continued)

Future Business and Tendering
Our work winning teams continued to operate throughout 2021 integrating working from home and online remote to support office social distancing measures.

With the loss of the A417 our focus will now be on securing work for 2023. Whilst we continue to maintain a pipeline of opportunities in excess of £1 billion from 2023 to 2027, a number of these projects are considered to be unlikely to progress in the current climate and therefore we will continue to explore opportunities to expand our pipeline with quality opportunities where funding and public support is more certain.

We are closely watching the UK infrastructure market for longer-term trends. The impacts of both COVID and Brexit remain unclear, however we are optimistic about future spending on infrastructure in the UK as endorsed by the National Infrastructure Strategy and the Integrated Rail Plan both published in November 2021. Although the latter saw a curtailment of HS2 Phase 2b, it has raised the likelihood of a range of smaller rail projects which are well suited to the skills of Taylor Woodrow.

Geographically, London remains a strong market for us, with a large team working on Old Oak Common Station and in Enfield (NLWA Eco Park and Meridian Water), as well as also retaining a small team supporting the TfL/LU projects. We have teams in Anglia (Norwich Crown Point Depot) and in Basingstoke (SL Pipeline) and we retain a small team in the South West (A358 for National Highways).

The energy sector is an area of potential significant growth and we are actively increasing our engagement in areas to meet increased demand for electricity. Of particular interest has been the growth of activity in the Net Carbon Zero market. Glasgow's hosting of COP26 has brought the UK's carbon commitments closer to the general public's attention. The UK is committed to net-zero carbon emissions by 2050 and is on the road to delivering the major infrastructure changes required. In October, the government confirmed Hynet and the East Coast Clusters as track 1 schemes that will progress with the aim of being the first deployments of regional Carbon Capture, Usage and Storage. We also see more developments and opportunities in the wind and electricity transmission markets to enable the transition to renewables from gas. Our ECI work at Fawley FAST supports the transition to low-carbon fuels and we are pursuing several opportunities in the pipeline installation, including ones at Teeside and Humberside.

HS2 at Old Oak Common station will be a significant customer for Taylor Woodrow over the next few years and there are further packages of work at HS2 that are of keen interest to us. We have prequalified for Washwood Heath Depot and had expected to bid in 2021 for this large- scheme, however this is now anticipated to come to market in Q2 2022. We also expect the Automated People Mover at Birmingham Interchange to be procured in late 2022/2023 and have plans in place to also pursue this opportunity.

Whilst we have seen some disappointment in the Highways sector with the loss of the A417, our performance on the M4 and support in the development of the A358 means that we still have a strong team to pursue future opportunities. We are therefore targeting a number of schemes being promoted by Local Authorities which will come to market in late 2021 and early 2022 including schemes at Southern on Sea, Melksham and Chippenham in Wilshire and major schemes on the M5 in Gloucester which we would most likely pursue in Joint Venture.

The main line Rail Sector has remained quiet in 2021 as passenger numbers have still not returned to pre-pandemic levels and planned changes with national rail governance continue to be established following the long-awaited Williams Review. The publication of the Integrated Rail Plan will produce some new opportunities for Taylor Woodrow to pursue and in the meantime we are maintaining a presence in the sector on our works at Norwich Crown point and expect to be bidding further depots for Abellio on their West Midland Train franchise in 2022.

Civil Engineering Division (Taylor Woodrow) (continued)

Transport for London (including Underground and Overground networks) has also suffered major financial pressures this year due to COVID and the delays and cost overruns on Crossrail. We have, however, managed to secure a number of ECI professional services assignments on London Underground assets, which we expect to go to their build phase in 2022/23 and which we hope will be let on a negotiated basis under our existing framework.

Company Structure and Business Focus

Our Digital Engineering capability has continued to expand in 2021 with the launch of our Digital Transformation Strategy which will see our approach to efficiency through digitisation of our work start to ramp up. We are also continuing to expand our Technical Expertise and the services we offer both internally and externally. Having delivered our Carbon Strategy in early 2020 we have also delivered our Environmental Ambition and our Social Value strategy in 2021. We have appointed a Head of Sustainability and he will pick up the implementation of these policies in 2022.

VINCI Facilities Division

We started 2021 with the UK, including many of our clients, in full lockdown, nevertheless this has been another extraordinary year for VINCI Facilities, the Facilities Management and the Building Solutions arm of VINCI Construction UK Limited.

Our first quarter results, despite the continuation of the Covid-19 restrictions across the UK, delivered another record performance, with budgeted revenues up by 25% to £103m at 3.0% net profit. This growth was entirely through our existing client base investing in their estate, including significant investment by key public sector clients, such as the Ministry of Justice and Her Majesty's Revenue and Customs on capital refurbishment and adaptation projects.

The second, third and fourth quarter results saw revenues remain strong across our business, and at a sustainable consistent level with both business lines performing as expected. Full year gross revenues outturned 21% higher than originally budgeted at £367m with profitability returning to pre-pandemic levels at 3.0%.

The secured workload for 2022 stands at £304m or 73.5% of the budget. This provides a high level of confidence that we will meet our plans for the year.

The surge in construction and FM activity post lockdown, coupled with the effects of EU exit and Covid-19 continues to present ongoing and significant challenges of staff retention, recruitment and Covid-19-related absenteeism. Wages' and materials' inflation has become a growing problem through 2021 and we see this continuing in to 2022.

In May 2021, we secured a significant order from the Ministry of Defence. The Future Defence Infrastructures Services (FDIS) contract combines our capabilities in both our business lines, FM and Building Solutions, allowing us to adopt an end-to-end built estate solution for the MoD, in their South East region. With a core contract value of £60m per year, we anticipate additional project works will deliver overall revenues of circa £100m pa for the initial 7-year contract term. In addition to a new contract with Islington Borough Council, we have won prestigious contracts with UCL and McCormick, both initiated from relationships held by other parts of the VINCI organization. We have also secured extensions to existing contracts including Shell, Transport for London, The Royal Parks, Lincolnshire CC, Ministry of Justice and Welsh Government and we are undertaking one of the UK's largest EV charging rollout programmes for the Royal Mail, in conjunction with VINCI Energies.

The Impact of the Covid-19 Pandemic

We entered 2021 with our FM business line still experiencing on-going disruptions in a number of its sectors. This was particularly evident in retail where almost all our clients were impacted by either temporary shop closures, such as Dixons, or reductions in customer footfall, such as Shell. However, the flurry of new projects in Building Solutions helped compensate for the impact of this, as existing clients sought to catch up on programmes of work delayed from 2020.

Since the opening up of the UK economy from April 2021 we have seen a quick return to business as usual with all our projects successfully navigating the challenges of staff shortages due to Covid-19 absenteeism. However, we continue to see a steady volume of staff either testing positive for the virus, or staff members having to isolate in response to the 'test and trace' activities.

People

Our Social Value team created and lead a Working Group for Social Value across VINCI Construction UK to maximise our social value creation and leverage opportunities more broadly. This group contains experts in social value from each division of the company in order to direct policy, share knowledge and build strategy in social value delivery on a significant scale. For example, through this Working Group we became a founding member of the Social Partnership Portal, an online platform that connects social suppliers, such as SMEs and social enterprises, to contractors in the built environment sector. This expands the opportunities for small, social and charitable businesses to win work in our field and thereby continue their positive impact on the communities they serve.

VINCI Facilities Division (continued)

VINCI Facilities contributed to help shape Government Policy on Social Value, and the design of their Social Value Framework which came into force in 2021.

We encourage and measure our social value contribution each year and this has seen a steady rise, year on year. In 2021 we raised our wages in line with the "Real Living Wage". This wage is 9% higher than the governments statutory minimum, and is the accepted wage on which people can live, thus improving the lives of the most vulnerable. We continue work hard with our clients to encourage their adoption of this for themselves in 2021.

In order to support the business in promoting and improving the diversity of our team, at all levels, we are working with a recruitment partner, Omni Recruitment Solution. Omni's expertise in the recruitment, and specifically with respect to addressing unconscious bias through the recruitment phase, will materially improve our intake and onboarding of a more diverse team. This initiative is working hand in hand with our business action plans to promote a more inclusive environment at work. Through these actions we believe that we will provide work opportunities for all, whilst improving our business performance.

HSEQ

We published our Environmental Impact Reduction Roadmap (EIRR), which sets out our plan of activities required to achieve the VINCI target of 40% reduction of our carbon footprint by 2030. This is for Scope 1 and 2 Emissions using the 2018 baseline. The roadmap tackles our carbon footprint, the circular economy, and the conservation of the natural environment, and provides a path for all our projects to follow.

The majority of our Scope 1 and 2 emissions is through our fleet: both commercial vehicles and cars. Almost 95% of our $CO2$ emissions is from mileage undertaken by our commercial fleet and through business mileage and during 2021 we have been accelerating the transition to electric vehicles. The majority of the remaining 5% consists of contributions from gas used in our offices and gas oil on our projects. Our electricity is procured is through 100% certified renewable energy.

The significant majority of our $CO2e$ emissions are however in our Scope 3. We are currently assessing how to best to impact these Scope 3 emissions which account for 85% of our overall emissions and are working with the SBTi to establish our science-based targets to drive our action plan.

Alongside our 'acting for the climate' action plan, we have continued to increase our use of the circular economy and preservation of natural environments through project-based initiatives, and many of these were celebrated in the VINCI Environmental Awards.

In early 2021, VINCI Facilities received the top award for sustainability in FM in the Sustainable Facilities Management Index (SFMI) E-Awards. A key facet of this award was the leadership VINCI Facilities is taking within its industry to decarbonise its operations.

We continue to innovate in our digital platforms, enabling greater efficiency and collaboration. The development of a new 'end to end' digital and IT solution, built for our new FDIS contract, will be made available across all of our operations and this is due for launch during 2022. The importance of near real time management information in the built environment, and especially for customers with large, complex, and geographically diverse property portfolios, has never been as important as it is today. Our developing digital maturity is a major contributor to delivering the efficiencies, and productivity to support our key customers and improve project performance.

VINCI Facilities Division (continued)

There is a significant and rapidly growing market for social housing 'retrofit' to enhance the environmental performance of our built environment, from home insulation to building cladding removal and reinstatement. We have successfully developed our approach during 2020 and 2021 to ensure we have the capabilities to meet the net-zero agenda which we believe will shape much of the procurement in the future. Through this approach, we have secured positions on frameworks for this type of work during 2021. Our retrofit solution brings together our previous experience delivering works that improve the environmental performance of buildings with our evolving inhouse technical and managerial capabilities supported by specialist teams of design engineers, consultants and architects.

We have adopted a similar approach for the remedy of buildings requiring new fire safety works (cladding, EWI, active and passive fire protection etc.). These works are designed and delivered through a 'mixed economy' of inhouse expertise and specialist supply chain support to respond to the requirements of impending legislation.

Future Business and Tendering

The expectation is that the business interruptions we saw at the start of 2021 due to Covid-19 are increasingly unlikely next year and our pipeline of new opportunities across our business continues to remain significant.

In the immediate term, we are very focused on ensuring FDIS and other new contracts are successfully implemented and consider new development opportunities only where resource and capability is available. We anticipate that the Ministry of Justice, our largest single customer, will retender its Building Solutions framework in 2022, and bring their FM portfolio to market. These will be strategically important opportunities.

Our long-term order book is very healthy at £1.3 billion.

VINCI Technology Centre

VINCI Technology Centre UK (VTC) provides specialist testing, consulting and investigation services in the construction and nuclear sectors. Testing is undertaken at our premises and nationally at client / 3rd party premises. Projects are generally of short duration i.e. up to three months.

Turnover in 2021 was greater than in 2019 (2020 was impacted by the Government imposed COVID lockdown, particularly in quarter two). Profit was improved at £0.65m and 10% (2020 and 2019: 8.5% and 6.5% respectively).

Margin improvement is a key focus and work is ongoing on digitisation projects that will deliver improvements during 2022. Reducing the cost of defects will also continue to be a major initiative during 2022.

During 2021 VTC traded with circa 319 clients, many of them major companies in the sector. Customer satisfaction continued to be high at 97%, (2020 and 2019: 97% and 97% respectively).

People

The average number of people employed was 72 (2020 and 2019: 66 and 70 respectively). During 2021 the employee engagement score (measured by a yearly employee survey) was 68%.

VINCI UK Developments

VINCI UK Developments is the property development and investment arm of VINCI Plc. It is also a shareholder in, and provides management services for, operational PFI schemes.

During 2021 the business has continued activities in relation to our 50/50 joint venture partnerships as VINCI St Modwen (VSM) at New Covent Garden Market (NCGM) and project MODeL (MOD estate rationalisation in the Uxbridge area).

At NCGM the next phase of core market construction is on site, and due for completion in Summer 2022, following a rescheduling exercise in collaboration with CGMA, the market Authority and scheme Client. VSM are now in planning with an initial development on surplus land, released by the core market construction design.

The projects at the ex-Ministry of Defence sites under project MODeL have progressed at Uxbridge and Mill Hill as planned.

The Harlow Innovation Park development for Harlow District Council has progressed on site during 2021, and the mid-tech units which represent phase two (MODUS) have been handed over. Marketing and letting activities on behalf of Harlow District Council for phases one and two are also progressing well, with the majority of both phases either in occupation, being fitted-out in preparation for occupation, or with agreements for lease being negotiated. Phase three is in design stages at present, with an anticipated start on site during 2022.

The business has remained largely unaffected by Covid-19 and BREXIT risks during 2021, although we continue to experience reduced passenger numbers in respect of our minority shareholding in the Nottingham Tram PFI scheme. The shortfall continues to be mitigated by Central Government financial support for transit projects. VINCI UK Developments do not carry significant risk in relation to the scheme.

Throughout 2021, the business has maintained a healthy opportunity pipeline to realise long-term value with select partners, and we have exclusive positions in place on selected schemes where early feasibility studies are underway.

Investor sentiment remains positive in our key sectors of STEM schemes, Build to Rent and Urban Regeneration and we are aligning ourselves to investor thinking in respect of ESG factors.

Conren

Conren Limited's turnover at £2.6m was only slightly ahead of 2020. It made a small loss again in 2021 as it continues to be adversely affected by the Covid-19 pandemic.

HSEQ

In 2021 there were no RIDDOR reportable injuries and just one lost-time injury (2020: zero and three). Senior management are focused on reducing injuries to zero.

Our carbon footprint for scope 1 and 2 emissions was 117 Tonnes CO_2e (2020 and 2019: 105 and 112 T CO_2e respectively). We have begun to transition our car and van fleet to electric and have 4 EV charging points installed at our Leighton Buzzard premises.

Future Business and Tendering

An important part of VTC workload is a framework contract with EDF on their UK fleet of nuclear power stations. We are focused on continuing to grow our team in the north of England which will reduce operating costs. During 2021 further opportunities were secured from HS2 and a key focus is to grow the work from this and other major infrastructure projects.

Health, Safety, Environment and Quality (HSEQ)

Safety performance remains critical to the business. Lost time incident frequency rates have plateaued and although at a reasonably low level a real effort is needed to breakthrough this hard floor of performance. The company continued to manage its work activities through the Covid-19 Pandemic. Covid-19-Secure risk assessments were carried out and continually updated as the control measures evolved. A controlled return to office working took place with several control measures still in place to reduce the risk and anxiety of employees.

Health and Wellbeing also remained high on the agenda with various campaigns running through the year. The company took part in the 'Steps to Health' challenge with colleagues from Eurovia UK and the wider international community in the US and Canada. The five-week challenge saw 303 teams of 1212 employees taking part. It created a great atmosphere of engagement and encouragement to make lifestyle changes.

Environment performance from both a compliance perspective at project level and company perspective played a critical part in the companies' environmental strategy and ambitions in 2021. The recertification of ISO14001 across all business units with no nonconformances was a real success and showed the level of management commitment in place.

Extensive work was carried out to establish a Green House Gas Scope 3 carbon footprint. This required the collection and analysis of data from across the whole business taking into account emission factors to normalise the various data streams. The objective was to establish a scope 3 carbon baseline to allow year-on-year improvements to be made with the aim of achieving our carbon ambitions.

A full external review of the Quality Management Systems was carried out by BSI external auditors. A real team effort was needed to successfully secure reaccreditation to the ISO standards for Safety, Quality and the Environment. It was great news that the full accreditation process was a real success. Giving reassurance around the management systems in place and the ownership that allows us to continually improve.

In 2021 the merger of VINCI Construction and Eurovia resulted in the appointment of a new HSEQ Director. This was a dual role appointment as the Director was also the HSE Director for Eurovia UK with 22 years of experience in the business at UK and International level.

This is a great opportunity to compare and contrast the two company's approaches to the management of health, safety, quality and environment. Various working groups have been set up to share best practice and look where synergies would bring benefit.

This approach of learning and sharing will continue into 2022 to allow the business to continue to be a safe place to work, a healthy place to work and have minimal impact on the environment and communities where we operate.

Central Management and Support

People

We began 2021 in a full lockdown and overall, despite another challenging year, our people across our business performed exceptionally well throughout the year.

Due to on-going delays with Projects starting and Sectors such as Retail continuing to face disruption a number of our employees were placed on Furlough.

Over 2021, we placed an average of 60 of our employees on to Flexible Furlough, however even though we placed employees on furlough, a decision was made to not draw down any further funds from the Governments' Job Retention Scheme after January 2021.

By the end of April, when the scheme was originally due to end, the majority of those on furlough had returned to work. In May 2021 only 14 remained on furlough and by June 2021, the number of employees dropped to 3. When the scheme ended in September 2021 there were no employees remaining on furlough at that time.

In 2021, we have seen 404 of our employees test positive for COVID-19, and sadly lost two employees who passed away due to COVID- 19.

The HR department continued to be at the centre of our business's rapid response to COVID-19 and continues to play a pivotal role in keeping the workforce engaged and productive.

Our headcount increased from 3,532 in 2020 to 3,738 as at the end of December 2021 (6% increase), principally due to the additional employees required to work on the HS2 project. Our voluntary staff turnover rates have significantly increased from 9.7% in 2020 to a projected 14.7% in 2021, a 51 % increase. However, it should be noted that 2020 was not evidence of a normal year, so caution should be given when comparing these figures.

After 10 years of running our annual Engagement Survey with our existing provider, it was time to spark a change, so we partnered with ETS an external independent consultancy who hosted our survey and provided trend reports to our senior leaders to delve into areas to focus on.

As expected, our overall engagement score dropped a little from 87% in 2020 to 77% as the driver behind changing our provider was to dig deeper into what engages our people and sets us apart from others by asking our employees more stretching and challenging questions.

Our response rates remained broadly the same with an impressive 84% of our employees choosing to share their views with us.

The current level of employee sickness (excluding absences related to COVID-19) is projected at a loss of 2.15 days per employee, compared to 1.95 days lost per employee in 2020. These statistics compare favourably against market averages.

Resourcing & Talent

As at the end of November 2021, we have recruited an incredible 1,171 people this year, which is projected to be an increase of 70% on 2020. Our vacancy rates for almost 6 months of 2021 ran at over 200, a record high for VCUK. All parts of our business have recruited at record levels, particularly on HS2 N1 & N2 and across VINCI Facilities with the FDIS contract and high levels of roles being recruited at Coventry Hospital.

Central Management and Support (continued)

Agency recruitment fees have continued to be a significant cost. With this in mind, 2021 saw the launch of a new and exciting resourcing and recruitment solution trialled in VINCI Facilities by partnering with a new recruitment partner, Omni Recruitment Solution. This initiative has been hugely successful, and have brought about many benefits, including a significant cost saving as well as promoting and improving the diversity of our team, and improving candidates' resourcing experience. 2022 will see VINCI extend its relationship with Omni so that all parts of VCUK can benefit from this approach to recruitment and resourcing.

In 2021, 6.6% of our people enjoyed promotion. If we continue to develop our people internally and promote from within then we must continue to acquire emerging talent to replenish vacant positions which includes recruiting at the grass roots, in 2021, we now employ: -

Apprentices	134
Upskill Apprentices	140
Trainee Other	17
Placement Only	7
Graduates	69
Student at University	43
Student Offer Accepted	5
Sponsored on Placement Students	5
Total	420

Our sixth cohort (22 of our young employees) have now started on our DofE Gold, and we look forward to them completing in 2022.

2021 sees us celebrating 11 successful years with the DofE, by partnering with the DofE we have helped our emerging talent get the right skills and experiences to deliver innovation and creativity; build professional relationships based on mutual respect and trust; create a culture of teamwork, openness and support; raising their aspirations to strive for excellence.

Academy

Our Academy team worked hard to catch up with the various training courses which were postponed due to COVID. As of the end of November 2021, 85% of employees have undertaken a formal training activity (excluding mandatory e-learning).

We are currently utilising 114% of payments from the Apprenticeship Levy monthly (representing a spend of £738,117) and working to maximise the balance by continuing the rollout of various programmes aligned with apprenticeship qualifications, such as the VINCI Facilities Management Development Programme.

Where appropriate we will recommence the delivery the UK version of the Project Management + (PM+) and Orchestra training programme through VINCI Academy for Taylor Woodrow and Building in 2022.

2021 has seen the Employee Performance Management e-learning, which received excellent feedback across the business.

Our mission to raise awareness of FIR and wider adoption of our best practices continues, and our we successfully undertook an Equality, Diversity and Inclusion data collection across our whole employee workforce.

Central Management and Support (continued)

Based on a survey of our company's employees, VINCI Construction UK has successfully been reaccredited with **Leaders in Diversity** certification. On top of that, National Centre for Diversity awarded our company with three **FREDIE 2021** accolades (FREDIE stands for **Fairness, Respect, Equality, Diversity, Inclusion and Engagement**):

- No. 1 in the NCFD Top 100 Most Inclusive Workplaces Index 2021
- Construction Company of the Year
- Overall Organisation of the Year

The awards have been based to a large extent on the survey responses and interviews during the Leaders in Diversity reaccreditation. As such, they are a reflection of what our people said about what it's like to work at our company and a testament to our Fairness, Inclusion and Respect journey over the last 10 years.

The Stand Out Make a Difference (SOMAD) programme remains in place across the business. We amended our approach to permit two half days or 1 full day. However, the impact of the pandemic has continued to significantly impact our employees' ability to undertake charitable and community activities, due to COVID-19 restrictions. We will continue to promote the SOMAD programme during 2022.

This year, VINCI UK Foundation continued with the annual programme of awarding much-needed funds to local charities as a way of giving back to the communities in which we work. The annual scheme saw many VINCI Construction UK charities across the country receive grants. The successful applications for the funding were hugely helped by our colleagues ("Sponsors") who have been volunteering their time and professional skills to their chosen charity.

Expectations for 2022

As 2022 begins, we must be clear about what will differentiate us in the market place from our competitors and having the right people, with the right skills in the right job, will allow us to achieve exceptional standards of service delivery. Additionally, we must concentrate on the sustainability of our business and work with our people to pursue improvements in the quality and efficiency of the services we deliver.

Statement from the Chairman and general outlook

Our passionate teams have delivered another solid year in challenging conditions. Dedicated to serving our clients and communities, they have successfully tackled the ongoing pandemic, operating continuously on all sites with a high level of safety and quality delivery. With a focus on teamwork, keeping our staff and supply chain safe and serving our clients and the communities, we have delivered projects of which we can all be proud.

The business has rebounded strongly since the significant impact of the Covid-19 pandemic last year. Each of our three business lines, VINCI Building, VINCI Facilities and Taylor Woodrow improved their operational margin and collectively, the business managed to increase its net margin to 2.2% and push its cash position above £300m. VINCI Facilities secured a game-changing contract with the Ministry of Defence to deliver Future Defence Infrastructure Services in the South East of England, a recognition of the quality of our teams and of our ability to remain agile and innovate. VINCI Building has continued to secure a strong pipeline in the health sector working with the NHS to deliver much-needed investment projects, such as the Paterson redevelopment in Manchester for the Christie's trust. Taylor Woodrow has focused its energies on delivering strategic infrastructure such as Old Oak Common Station for HS2 and the Eco Park South recycling facility.

Bidding opportunities remain strong and our order book exceeds £1.6bn. The experience of the pandemic has confirmed our approach to invest in our people and the projects we deliver to create places that we are proud of. Our people are at the core of our organisation and they have demonstrated their commitment and dedication throughout the crisis. We are Leaders in Diversity and very proud to have been recognised Organisation of the Year, Construction Company of the Year by the National Center for Diversity as well as earning the top spot in their Top 100 Most Inclusive Workplaces Index.

The economic environment remains challenging. The emergence of high levels of inflation requires us to continue to be ever more selective in our approach, and agile in delivery. The crisis has also made us keenly alert to health and wellbeing and has reinforced our dedication and commitment to our 'Think Again' safety culture. It has heightened our awareness of the planet's health for which it is all our duty to find solutions. We continue to actively reduce our own carbon footprint and are actively working with our supply chain and our clients to reduce the overall footprint, and impact, of our industry. From electrifying our fleet to implementing low carbon concrete on Eco Park South our teams are making progress. We are in line with our commitment to reduce our carbon footprint by 40% in 2030, although much remains to be done.

We will continue to use our expertise, innovative drive and team engagement to design, build and maintain infrastructure that supports our clients in a changing world. In doing so, we actively seek to offer solutions that improve social value and customer experience, reduce environmental impact, reduce our carbon footprint, foster a circular economy, and protect biodiversity.

Excellence, integrity, collaboration, innovation and discipline are the values that underpin VINCI Construction. And these are the values that will continue to sustain and inform us in coming years.

On behalf of the Board

Gilles Godard
Chairman, VINCI PLC
Date: 14th April 2022

The Directors submit their annual report to the members, together with the audited consolidated financial statements for the year ended 31st December 2021.

Results and dividends
The profit for the financial year as shown in the Consolidated Income Statement on page 37 amounted to £26,228,000 (2020: £15,050,000).

Final dividend declared during the year was £15,050,00 (2020: £41,500,000).

Directors

P Jutier was appointed as a director on 2nd March 2021
L G L Demierre was appointed as director on 30th April 2021
P L G Anjolras was appointed as director on 30th April 2021
S A Wardrop was appointed as director on 30th April 2021
YP Grolimund resigned on18th March 2021
P Kadri resigned as director on 6th April 2021
N B Nouveau resigned as director on 18th March 2021
L O D Ravix resigned as director on 29th March 2021
J-P Loiseau resigned as director on 21st May 2021

The present directors are disclosed on Page 1.

Corporate Governance
The Company adopted the Wates Corporate Governance code in the financial year, applying its principles as follows:

Principle 1: Purpose and Leadership
An effective board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.
The board develops the strategy and business model to generate long-term sustainable value. It is responsible for ensuring that its strategy is clearly articulated and implemented throughout the organisation, and that it, along with the company values, supports appropriate behaviours and practices. To promote a clear sense of purpose and collective vision, the board appreciates the importance of communication with the workforce and wider stakeholders around the company's stated purpose. The values are explained and integrated into the different functions and operations of the business via, for example, internal guidance, employment practices, risk management and compliance functions. It monitors the extent to which the values are integrated via annual employee surveys, absenteeism rates, exit interviews and feedback sessions. The board leads on the establishment of transparent policies in relation to raising concerns about misconduct and unethical practices.

Principle 2: Board Composition

Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.

The chair leads the board and is responsible for its overall effectiveness, promoting open debate and facilitating constructive discussion. The chair ensures that all directors have appropriate information and sufficient time is made available for meaningful discussion. To ensure a balance of power and effective decision-making the roles of the chair and chief executive are separate. The board has an appropriate combination of skills, backgrounds, experience and knowledge that promotes accountability and incorporates objective thought, which in turn provides constructive challenge to achieve effective decision-making. In making appointments to the board considered effort is made to establish an appropriate balance of expertise, diversity and objectivity.

Principle 3: Directors' Responsibilities

The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.

The board establishes and maintains corporate governance practices that provide clear lines of accountability and responsibility to support effective decision-making. Clear corporate governance policies and practices that govern the internal affairs of the company are set out and made available on the Company's intranet site. These include matters relating to the authority, accountability, role and conduct of directors. The board periodically reviews the governance processes to confirm that they remain fit for purpose and consider any initiatives which could strengthen the governance of the company.

Principle 4: Opportunity and Risk

A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.

The board considers and assesses how the company creates and preserves value over the long-term. Although the Group operates a decentralised divisional structure the board recognises that it has responsibility for the company's overall approach to strategic decision-making and effective risk management (financial and non-financial), including reputational risk. A description of business risks is set out on pages 3-5 of the Strategic Report. The board has established an internal control framework with clearly defined roles and responsibilities for those involved. It has agreed an approach to reporting, including frequency of reporting and the points at which decisions are made and escalated.

Principle 5: Remuneration

A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.

Remuneration for directors and senior managers is aligned with performance, behaviours, and the achievement of company purpose, values and strategy. In setting director and senior manager remuneration consideration is given to remuneration throughout the organisation to reinforce a sense of shared purpose.

Principle 6: Stakeholder relationships and engagement
Directors should foster effective stakeholder relationships aligned to the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.
The board recognises that the business has a responsibility to create and sustain long-term value for its shareholders and stakeholders. This includes consideration of the impact its activities may have on both current and future stakeholders, for example, impacts on the environment. Our largest material stakeholder group is our workforce. We have developed a range of formal and informal channels that enable our workforce to engage in meaningful two-way dialogue and to share ideas and concerns with senior management. More detail on this is provided in section (iv) of the S172 Statement on page 7. Other key stakeholders potentially affected by company operations and integral to its ability to generate and preserve value include customers, suppliers and other creditors as well as community groups. More details on how we develop relationships with these stakeholders are provided in sections (ii) and (iii) respectively of the S172 statement on pages 5 and 6.

Going Concern
The financial statements have been prepared on a going concern basis. The Group has strong financial resources together with long term contracts with a number of customers and suppliers across different geographic areas and construction activities. As part of assessing the ability to continue as a going concern the Company has regularly been assessing the impact of COVID-19 on the business. Information on the impact of the coronavirus COVID-19 is disclosed in the strategic report under 'Business Risks'.

The going concern assessment includes a review of recent productivity on existing sites, the short-term order book and current bid activity. It also considers the financial standing of our clients, sub-contractors and suppliers in terms of their ability to discharge their obligations to us. With reference to the Financial Reporting Council's reverse stress testing guidance the Company considered the working capital implications of severely reduced activity and the mitigating actions available to management. As a result, and now that COVID-19 related restrictions are easing, the Directors conclude that the Company has sufficient financial resources to continue as a going concern for a period of at least 12 months.

Employees
The Group has continued its policy regarding the employment of disabled persons. Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Should an employee become disabled while in the Company's employment they are guaranteed consideration for alternative positions within the Group which are within their capabilities. It is the Group's policy to offer training and development opportunities to all employees on the basis of the assessment of training needs.

Disclosure of information to the auditors
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware; and the directors have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Independent Auditors
Mazars LLP were appointed as auditors on 26th November 2020.

Approval
The Report of the Directors was approved by the Board on 14th April 2022 and signed on its behalf by:

Gilles Godard
Director
Company registered number 737204
14th April 2022

VINCI PLC
Astral House
Imperial Way
Watford
Herts
WD24 4WW

Statement of Directors' Responsibilities in Respect of the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the profit or loss of the group and parent company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted IFRSs have been followed for the group financial statements and IFRSs as adopted by the European Union have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are also responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

G Godard

Opinion
We have audited the financial statements of VINCI PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated cash flow statement, the company statement of financial position, the company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statement is applicable law and UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the parent company financial statement is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006 and with United Kingdom Generally Accepted Accounting Practice.

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

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our audit procedures to evaluate the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- Evaluating the directors' method to assess the group's and the parent company's ability to continue as a going concern, the period considered by them and the formal approval provided by the board of directors;
- Evaluating the key assumptions used and judgements applied by the directors in forming their conclusions on going concern;
- Reviewing directors' assessment on severe but plausible scenarios and the impact of these scenarios on the working capital;
- Considering the consistency of the directors' forecasts with other areas of the financial statements and our audit: and
- Reviewing the appropriateness of the directors' disclosures in the financial statements.

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

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

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept 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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 28, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements:
UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to impairment of goodwill and intangible assets, revenue recognition (which we pinpointed to the cut-off for the facility division occurrence and existence for the building and civils divisions), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

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

Richard Metcalfe (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's way
London, E1W 1DD
United Kingdom
Date 26 April 2022

Consolidated Income Statement
for the year ended 31st December 2021

	Note	2021 £000	2020 £000
Revenue	2	**1,173,839**	858,476
Cost of sales	3	**(1,096,534)**	(795,515)
Gross profit		**77,305**	62,961
Administrative expenses	3,5,6	**(52,327)**	(47,055)
Other operating income	4	**1,588**	1,001
Share of profits/(losses) from equity accounted entities	11	**527**	10
Operating profit before net financing expense	3	**27,093**	16,917
Financial income	7	**5,120**	6,038
Financial expenses	7	**(6,155)**	(6,772)
Profit before taxation		**26,058**	16,183
Taxation	8	**170**	(1,133)
Profit from continuing operations	18	**26,228**	15,050
Profit attributable to equity holders of the Parent Company	18	**26,228**	15,050

The accompanying notes form part of these financial statements

Consolidated Statement of Comprehensive Income and Statement of Changes in Equity
for the year ended 31st December 2021

Consolidated Statement of Comprehensive Income	2021 £000	2020 £000
Profit for the year	26,228	15,050
Items that may be reclassified subsequently to the income statement:		
Foreign exchange translation differences	11	409
Items that will never be reclassified subsequently to the income statement:		
Actuarial (losses)/gains in defined benefit scheme	(1,693)	14,190
Tax on actuarial gains/(losses) in defined benefit scheme	2,219	(1,815)
Other comprehensive income/(expense) for the year	537	12,784
Total comprehensive income for the year	26,765	27,834

Statement of Changes in Equity

	Share capital	Translation reserve	(Accumulated losses)/retained earnings	Total equity
Group	£000	£000	£000	£000
At 1st January 2021	80,000	(1,083)	(1,989)	76,928
Profit for the year	-	-	26,228	26,228
Other comprehensive income	-	11	526	537
Total Comprehensive income for the year	-	11	26,754	26,765
Dividend paid	-	-	(15,050)	(15,050)
Decrease in share capital	-	-	-	-
At 31st December 2021	80,000	(1,072)	9,715	88,643

The accompanying notes form part of these financial statements.

Statement of Comprehensive Income and Statement of Changes in Equity (continued)
for the year ended 31st December 2021

	Share capital	Restated capital redemption reserve	Translation reserve	(Accumulated losses)/retained earnings	Total equity
Group	£000	£000	£000	£000	£000
At 1st January 2020	270,456	300	(1,492)	(178,670)	90,594
Profit for the year	-	-	-	15,050	15,050
Other comprehensive income	-	-	409	12,375	12,784
Total Comprehensive income for the year	-	-	409	27,425	27,834
Dividend paid	-	-	-	(41,500)	(41,500)
Restated share capital & redemption reserve reductions	(190,456)	(300)	-	190,756	-
Restated at 31st December 2020	80,000	-	(1,083)	(1,989)	76,928

	Share capital	(Accumulated losses)/retained earnings	Total equity
Company	£000	£000	£000
At 1st January 2021	80,000	21,263	101,263
Profit for the year	-	16,005	16,005
Other comprehensive expense	-	526	526
Total Comprehensive income for the year	-	16,531	16,531
Equity settled share-based payment transactions	-	(2,253)	(2,253)
Dividend paid	-	(15,050)	(15,050)
Decrease in share capital	-	-	-
At 31st December 2021	80,000	20,491	100,491

The accompanying notes form part of these financial statements.

Statement of Comprehensive Income and Statement of Changes in Equity (continued)
for the year ended 31st December 2021

	Share capital	Restated capital redemption reserve	Translation reserve	Accumulated losses	Total equity
Company	£000	£000	£000	£000	£000
At 1st January 2020	270,456	300	10,657	(202,318)	79,095
Profit for the year	-	-	-	53,759	53,759
Other comprehensive expense	-	-	-	12,375	12,375
Total Comprehensive income for the year	-	-	-	66,134	66,134
Equity settled share-based payment transactions	-	-	-	(2,466)	(2,466)
Dividend paid	-	-	-	(41,500)	(41,500)
Restated share capital and reserve reductions	(190,456)	(300)	(10,657)	201,413	-
Restated at 31st December 2020	80,000	-	-	21,263	101,263

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
at 31st December 2021

	Notes	2021	2020
		£000	£000
Non-current assets			
Intangible assets	9	93,335	93,558
Property, plant and equipment	10	28,341	15,627
Right-of-use assets	10(a)	22,033	19,687
Investments in joint ventures accounted for using the equity method	11	5,789	5,888
Other investments	12	13	494
Deferred tax asset	16	14,353	10,953
		163,864	146,207
Current assets			
Inventories	13	329	310
Trade and other receivables	14	224,425	187,376
Cash and cash equivalents		314,603	263,636
		539,357	451,322
Total assets		703,221	597,529
Current liabilities			
Trade and other payables	15	456,945	367,877
Contract provisions	15	68,386	65,065
Other interest-bearing loans and borrowings	15(b)	5,000	2,000
Lease liabilities		8,724	8,233
Current tax		687	2,592
		539,742	445,767
Non-current liabilities			
Other interest-bearing loans and borrowings	15(b)	23,500	23,500
Lease liabilities		13,231	11,411
Employee benefits	17	38,105	39,923
		74,836	74,834
Total liabilities		614,578	520,601
Net assets		88,643	76,928

Consolidated Statement of Financial Position (continued)
at 31st December 2021

Equity attributable to equity holders of the parent

	Notes	2021 £000	Restated 2020 £000
Issued share capital	18	80,000	80,000
Retained earnings/(accumulated losses)	18	9,715	(1,989)
Translation reserve	18	(1,072)	(1,083)
Equity attributable to the Parent Company		88,643	76,928
Total equity		88,643	76,928

The accompanying notes form part of these financial statements.

The financial statements on pages 37 to 99 were approved by the Board on 14th April 2022 and signed on its behalf by:

Gilles Godard (Director)

Company Registered Number 737204
14th April 2022

VINCI PLC
Company Statement of Financial Position
at 31st December 2021

	Notes	2021 £000	Restated 2020 £000
Non-current assets			
Property, plant and equipment	10	2,025	1,668
Right-of-use asset	10(a)	2,994	3,961
Investments in Group undertakings	11	190,427	190,548
Deferred tax asset	16	11,198	8,551
Amounts due from subsidiary		35,752	35,752
		242,396	240,480
Current assets			
Trade and other receivables	14	2,386	2,342
Tax Recoverable		1,780	964
		4,166	3,306
Total assets		246,562	243,786
Current liabilities			
Bank overdraft and equivalents		71,944	58,678
Trade and other payables	15	32,848	39,814
Lease liabilities		1,011	957
Current tax		-	-
		105,803	99,449
Non-current liabilities			
Lease liabilities		2,165	3,153
Employee benefits	17	38,103	39,921
Total liabilities		146,071	142,523
Net assets		100,491	101,263
Equity attributable to equity holders of the Parent			
Issued share capital	18	80,000	80,000
Restated accumulated profit/losses	18	20,491	21,263
Total equity		100,491	101,263

The accompanying notes form part of these financial statements.
Retained earnings include profit for the year of £16,005,000 (2020: profit of £53,759,000).

The financial statements on pages 37 to 99 were approved by the Board on 14th April 2022 and signed on its behalf by:
Gilles Godard (Director)
Company Registered Number 737204
14th April 2022

Cash flow Statements
for the year ended 31st December 2021

	Group		Company	
		Restated		
	2021	2020	2021	2020
	£000	£000	£000	£000
Cash flows from operating activities				
Profit for the year	26,228	15,050	16,005	53,759
Adjustments for:				
Depreciation, amortisation and impairment	12,405	10,615	2,002	4,205
Financial income	(5,120)	(6,038)	(6,145)	(6,312)
Financial expense	6,155	6,772	6,875	7,159
Dividends received	-	-	(16,093)	(57,490)
Share of (profits)/losses in joint ventures and associates	(527)	(10)	-	-
Restated (profits)/losses on sale of property, plant and equipment	(2,229)	1,649	1	73
Equity settled share-based payment expenses	-	-	(2,253)	(2,466)
Taxation	(170)	1,133	(275)	(146)
Operating cash flows before movements in working capital and provisions	36,742	29,171	117	(1,218)
(Increase)/ decrease in trade and other receivables	(37,049)	42,167	(44)	66,916
Increase/ decrease in stock	(19)	59	-	-
Increase/(decrease) in trade and other payables	92,389	22,622	(6,966)	12,518
Decrease in employee benefits	(4,130)	(1,239)	(4,130)	(1,239)
Cash generated/(used in) from operations	87,933	92,780	(11,023)	76,977
Interest paid	-	-	287	(36)
Tax paid	(2,916)	(270)	(969)	(22)
Net cash flow (used in)/generated from operating activities	85,017	92,510	(11,705)	76,919
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	2,628	45	-	-
Interest (paid)/ received	(229)	(75)	-	-
Acquisition of property, plant and equipment	(14,889)	(6,795)	(1,381)	(1,014)
Dividends (paid)/received	(14,425)	(40,000)	1,043	15,990
Acquisition of subsidiary net of cash acquired	-	-	-	(24,745)
Share capital in subsidiary	-	-	-	925
Net cash (used in)/generated from investing activities	(26,915)	(46,825)	(338)	(8,844)

Cash flow Statements (continued)
for the year ended 31st December 2021

	Note	Group		Company	
		2021 £000	2020 £000	2021 £000	2020 £000
Cash flows from financing activities					
Repayment of loans from equity accounted investees		-	-	-	-
Principal elements of lease payments		(9,959)	(10,179)	(1,090)	(889)
Other interest-bearing loans and borrowings	15(a)	3,000	8,500	-	-
Net cash from financing activities		(6,959)	(1,679)	(1,090)	(889)
Effect of exchange rate fluctuations on cash held		(176)	706	(133)	145
Net increase/(decrease) in cash and cash equivalents		50,967	44,712	(13,266)	67,331
Cash and cash equivalents at 1 January		263,636	218,924	(58,678)	(126,009)
Cash and cash equivalents at 31 December		314,603	263,636	(71,944)	(58,678)

The accompanying notes form part of these financial statements.

1. Accounting Policies

VINCI PLC ("the Company") is a company domiciled in the United Kingdom.

Basis of preparation

Both the parent company financial statements and the group financial statements have been prepared and approved by the directors on a going concern basis in accordance with UK-adopted international accounting standards (UK IAS) in conformity with the requirements of the Companies Act 2006. In publishing the parent company financial statements here together with the group financial statements, the Company has taken advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

The Group has consistently applied all accounting standards and interpretations issued by the International Accounting Standards Board and IFRSIC and endorsed by the EU, relevant to its operation and effective on 1st January 2019.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going Concern

The Company's business activities, performance and position are set out in the Strategic Report. The Company has adequate liquidity to meet its obligations as they fall due. The Company continues to consider the impact of COVID-19 on its business. It concluded that the Company has sufficient financial resources to continue as a going concern. As a consequence, the directors continue to adopt the going concern basis in preparing these financial statements

Basis of consolidation

The Group financial statements incorporate the results of VINCI PLC, its subsidiary undertakings and the VINCI PLC Group's share of the results of joint arrangements. Subsidiaries are all entities over which the VINCI PLC Group has control. The exposure or right to variable returns from its involvement with an investee, and the ability to influence those returns, are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, until the date that control ceases.

The Group applies IFRS 11 to all joint arrangements. Investments in joint arrangements are classified as either joint ventures or joint operations, depending on the contractual rights and obligations of each investor. A joint venture is an entity over which the Group has joint control and rights to the net assets of the entity. A joint operation is a joint arrangement that the Group undertakes with third parties whereby those parties have rights to the assets and obligations of the arrangement.

1. **Accounting Policies (continued)**

Adopted IFRS not yet applied

The accounting policies applied by the Group in these consolidated financial statements are in accordance with Adopted IFRSs and are the same as those applied by the Group in its consolidated financial statements for the year ended 31st December 2020.

There are no new standards or amendments that could have a material impact on the Group financial statements of which application was not mandatory at 1st January 2021.

Critical accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates and judgements.

The judgements, estimates and assumptions that have the most significant effect on the carrying value of assets and liabilities of the Group as at 31st December 2021 are as follows:

- **Revenue and cost recognition**

In order to determine the profit and loss that the Group is able to recognise on its construction contracts in a specific period, the Group has to allocate total costs of the construction contracts between the proportion completed in the period and the proportion to complete in a future period. The Group's revenue and cost recognition policies require forecasts to be made of the outcomes of its long-term contracts.

The assessment of the final contract value and total costs to be incurred requires a degree of estimation. The final contract value recognised includes assessments of the recovery of variations which have yet to be agreed with the client, compensation events and claims where these meet the criteria set out in the Group's accounting policies and are in accordance with IFRS 15 Revenue from Contracts with Customers. Cost estimates include assessing potential maintenance and defects costs. Judgements and estimates are reviewed regularly on an individual contract basis using the latest available information and adjustments are made as necessary.

- **Impairment of goodwill**

Determining whether or not goodwill is impaired requires an estimation of the value in use of the cash-generating units (CGUs) to which the goodwill has been allocated. The value in use calculation requires an estimate of the future cash flows expected from these CGUs, including the anticipated growth rate of revenue and costs, and requires the determination of a suitable discount rate to calculate the present value of the cash flows. Details of the goodwill impairment review calculations are included in note 9. The carrying value of goodwill amounts to £70,835,000.

- **Valuation of lease liabilities and right-of-use assets**

The application of IFRS16 requires the Group to make judgments that affect the valuation of the lease liabilities and the valuation of right-of-use assets (please see Note 10a). These include determining contracts in scope of IFRS16, determining the contract term and depending the interest rate used for discounting of future cash flows.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or to not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

1. Accounting Policies (continued)

The following factors are normally most relevant:

- If there are significant penalties to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate);
- If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate);
- Otherwise, the company considers other factors including historical lease duration and the costs and business disruption required to replace the leased asset.

Extension options were reviewed and no extension options have been included in the lease liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate can't be determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The incremental borrowing rates are specific to the UK, as determined by our parent company, VINCI SA.

The rates used vary depending on the type of asset and the duration of the lease, averaging 2.29%.

- **Retirement Benefit Obligations**

In determining the valuation of the Group's defined benefit scheme assets and liabilities a number of key assumptions have been made relating to inflation, life expectancy, discount, salary and pension growth rates. These assumptions are largely dependent on factors outside the Group's control.

The Group is exposed to risks through its defined benefit schemes if actual experience differs from the assumptions used and through volatility in the plan assets. Details of the assumptions used and associated sensitivities are given in note 17.

1. Accounting policies (continued)

Revenue

Since 1st January 2018, the Group has applied the provisions of IFRS 15, described below, to measure and recognise consolidated revenue.

Before revenue is recognised, IFRS 15 requires a contract as well as the various performance obligations contained in the contract to be identified. The number of performance obligations depends on the types of contract and activities. Most of the Group's contracts involve only one performance obligation.

IFRS 15's fundamental principle is that the recognition of revenue from contracts with customers must reflect:

- The rate at which performance obligations are fulfilled, corresponding to the transfer to a customer of control of a good or service.
- The amount to which the seller expects to be entitled as consideration for its activities.

The way in which transfer of control of a good or service is analysed is crucial, since that transfer determines the recognition of revenue.

The transfer of control of a good or service may take place continuously (revenue recognition on a progress towards completion basis) or on a specific date (recognition on completion).

The consolidated revenue of the business is recognised in accordance with IFRS 15. It includes the total of the work, goods and services generated by the consolidated subsidiaries pursuing their main activity.

In view of the main activities of business lines, the majority of construction and service contracts involve only one performance obligation, which is fulfilled progressively.

Where a contract includes several distinct performance obligations the Group allocates the overall price of the contract to each performance obligation in accordance with IFRS 15. That price corresponds to the amount of the consideration to which it expects to be entitled. Where the price includes a variable component, such as a performance bonus or a claim, the Group only recognises that consideration from the time agreement is reached with the client.

To measure progress towards completion of construction and service contracts, the Group uses either a method based on physical progress towards completion or a method based on the proportion of costs incurred, depending on the type of activity. Contract amendments (relating to the price and/or scope of the contract) are recognised when approved by the client.

Where amendments relate to new goods or services regarded as distinct under IFRS 15, and where the contract price increases by an amount reflecting "stand-alone selling prices" of the additional goods or services, those amendments are recognised as a distinct contract.

Where a third party (such as a subcontractor) is involved in the supply of a distinct good or service, the Group determines whether it obtains control of that good or service before it is transferred to the client. Where control is obtained before transfer to the client, the Group recognises as revenue the gross amount to which it expects to be entitled to in exchange. Where control is not obtained, the Group takes the view that it is not the principal in the transaction and only recognises as revenue the amount corresponding to its remuneration as intermediary.

The cost of winning the contract that would not have been incurred if the Group had not won the contract is recognised as an asset where it is recoverable and amortised over the estimated contract term.

1. Accounting policies (continued)

Expenses

Lease payments – short term or low value

Payments made under leases with terms less than 12 months or relating to low-value assets are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised over the lease term.

Net financing costs

Net financing costs comprise interest payable, financial elements of pensions, interest receivable on funds invested and loans receivable from equity accounted investees, dividend income, foreign exchange gains and losses and gains and losses on hedging instruments that are recognised in the income statement.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

Grants

The Group utilised the Government's Job Retention Scheme until January 2021. The grant income received has been accounted for in accordance with IAS 20 and has been netted off in the income statement against the cost it is intended to compensate.

Taxation

Tax on the profit or loss for the year 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.

1. Accounting Policies (continued)

Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed for impairment at least annually or when there is a triggering event, to determine if there is any indication of impairment.

For goodwill and assets that have an indefinite useful life the recoverable amounts are determined from value in use calculations of the cash generating units (CGUs) using cash flow projections based on the latest five-year plan. The discount rate applied to the cash flow forecast is based on a VINCI determined pre-tax weighted average cost of capital of 8.05% (2020: 7.8%).

An impairment 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.

The carrying amount of the Group's investments in financial assets and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Reversals of impairment

An impairment loss in respect of a financial asset or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of goodwill is not reversed.

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

1. Accounting Policies (continued)

Trade and other receivables and payables

Amounts recoverable on contracts are included in receivables and are valued, inclusive of profit, at work executed at contract prices plus variations less payments on account. Full provision is made for anticipated future losses and such losses are included in provisions. Where contract payments received exceed amounts recoverable these amounts are included in creditors.

Amounts recoverable normally include claims only when there is a firm agreement with the client, but when assessing anticipated losses on major contracts a prudent and reasonable estimate of claims may be taken into account.

Other receivables and payables are stated at their nominal amount (discounted if material) less impairment losses.

Inventories

Inventories are stated at the lower of cost and estimated net realisable value.

Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Financial assets

Trade receivables, contract assets and amounts due from parent and fellow subsidiary undertakings apply the IFRS 9 "Expected Credit Losses" (ECL) model. Expected credit losses are recognised and measured based on historical default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, typically with maturities of three months or less. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Group holds a cash balance of £314,603,000 (2020: £263,636,000) however, the cash balances are swept at the end of each business day to VINCI PLC's bank account who in turn sweeps its closing balance to VINCI Finance international, a Group company registered in Belgium who acts as the Vinci group centralised treasury management entity.

These inter-company balances are highly liquid and accessible on demand and meet the definition of cash and cash equivalents.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Leases

On 1st January 2019, the Group applied IFRS16 to leases in existence on the transition date according to the "modified retrospective" approach. IFRS16 requires lessees to use a single method for recognising leases, affecting the balance sheet in a similar way to finance leases as recognised until 31st December 2018 in accordance with IAS17. The Group is not a party to any material leases in which it is the lessor. The Group applies the IFRS 16 provisions described below for all its leases relating to underlying assets whose value, in brand-new condition, is significant and/or where the lease term is more than 12 months considering renewal options included in the lease contract.

The leases to which the Group is a party mainly concern properties, vehicles and certain equipment required for the construction business.

1. Accounting Policies (continued)

Leases (continued)

Based on the accounting policy applied the Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentives,
- any initial direct costs incurred by the lessee,
- an estimate of costs to be incurred by the lessee,
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

After the commencement date the right-of use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Leases with terms less than 12 months or relating to low-value assets are recognised in the income statement with no impact on the Group's balance sheet.

Lease terms include the minimum lease terms and any renewal periods provided for in the lease. Lease terms for properties have been assessed on the basis of local law and the expected use of the premises.

To determine the interest rate used to calculate the lease liability, the Group took into account the weighted average during of payments, country risk and specific risk for each Group business line.

After the commencement date the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability,
- reducing the carrying amount to reflect lease payments made, and
- re-measuring the carrying amount to reflect any reassessment or lease modifications.

Provisions

A provision is recognised in the balance sheet 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.

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

1. Accounting Policies (continued)

Employee benefits (continued)

Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

Following the adoption of IAS 19(R) from 1st January 2013 all actuarial gains and losses are immediately recognised in the year they occur directly into equity through the statement of comprehensive income.

In accordance with Group policy, subsidiary undertakings continue to record the actual contributions that they make in the year.

Share-based payment transactions

Performance shares are granted to certain Group employees, entitling them to shares of the ultimate Parent Company; these shares are granted by the ultimate parent. Final vesting of these shares is dependent on the realisation of financial criteria. The fair value of shares granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which employees become unconditionally entitled to the shares. The fair value of the shares granted is calculated by an external actuary and is measured using a valuation model, taking into account the terms and conditions upon which the shares were granted. The amount recognised as an expense is adjusted to reflect the actual number of shares that vest, except where forfeiture is due only to share prices not achieving the threshold for vesting.

Group employees are offered the opportunity to subscribe to the Castor International Savings Scheme. This enables employees to invest in the equity capital of the ultimate Parent Company, VINCI SA. Further details are provided in note 17.

Business combinations

All business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 1st January 2010 (the effective date of the revision to IFRS 3)
For acquisitions on or after 1st January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

1. **Accounting policies (continued)**

Business combinations

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

On a transaction-by-transaction basis, the Group elects to measure non-controlling interests, which have both present ownership interests and are entitled to a proportionate share of net assets of the acquiree in the event of liquidation, either at its fair value or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date. All other non-controlling interests are measured at the fair value at the acquisition date.

Joint ventures and joint operations

The Group's interest in joint ventures is accounted for using the equity method. Under this method the Group's share of profits less losses after taxation of joint ventures is included in the consolidated income statement and its interest in their net assets is included in investments in the consolidated balance sheet. Where the share of losses exceeds the Group's interest in the entity and there is no obligation to fund these losses, the carrying amount is reduced to nil and recognition of further losses is discontinued. Future profits are not recognised until unrecognised losses are extinguished. Unrealised gains on transactions with the Group's joint ventures are eliminated to the extent of the Group's interest in the joint venture. Accounting policies of joint ventures have been changed on consolidation where necessary to ensure consistency with policies adopted by the Group. Where joint ventures do not adopt accounting periods that are coterminous with the Group's, results and net assets are based upon unaudited accounts drawn up as close as possible to the Group's accounting reference date. The Group accounts for joint operations by recognising its share of profits and losses in the consolidated income statement. The Group recognises its share of associated assets and liabilities in the consolidated balance sheet.

1. **Accounting policies (continued)**

Investments in debt and equity securities for the company financial statements

Investments in joint ventures, associates and subsidiaries are carried at cost less impairment. Financial instruments held for trading or designated upon initial recognition or at the IFRS 9 transition date if later are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Intangible assets

Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures. In respect of business acquisitions that have occurred since January 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Identifiable intangibles are those which can be sold separately, or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate. Negative goodwill arising on an acquisition is recognised directly in profit or loss.

Other intangible assets that are acquired by the Group, with the exception of brand names, are stated at cost less accumulated amortisation and impairment losses. Brand name assets are stated at cost less any accumulated impairment losses. They are not amortised but are tested annually for impairment.

Property, plant and equipment

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

Certain land and buildings are carried at values that reflect previous revaluations prior to 1 January 2004, the date of transition to adopted IFRSs. These are measured on the basis of deemed cost, being the revalued amount on the date of that revaluation. The valuation has not been updated since 31st March 1989.

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit unless it was a reversal of a past revaluation surplus in which case it would be taken to the statement of recognised income and expenditure. No depreciation is provided on freehold land. The principal anticipated useful lives on a straight-line basis are:

Freehold buildings	- twenty-five years
Leasehold buildings	- the shorter of twenty-five years or remaining life of lease
Computer, Fixtures and fittings and Plant and machinery	- from two to fifteen years
Motor vehicles	- from three to five years

1. Accounting policies (continued)

Capital Management

The Group is funded by ordinary shares, retained profits and its net cash balance (as disclosed in notes 18 and 19). The Group's objectives when managing its capital are to maintain its ability to operate as a going concern, provide a return to shareholders and maximise the return on its positive cash balance. Typically, the Group's construction business generates sufficient cash to meet its operational needs.

The Group monitors its current asset ratio closely as it gives a good measure of liquidity. This ratio is calculated as current assets divided by current liabilities.

If necessary, to change its capital structure, the Group may adjust dividend payments, return capital or issue new shares to its shareholders.

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.

Foreign operations

The assets and liabilities of foreign operations are translated at the exchange rate at the year end. The income and expenses of foreign operations are translated at the date of the transactions.

Foreign currency differences are recognised in the statement of comprehensive income and presented in the translation reserve in equity.

2. **Segmental reporting**

The segmental reporting is based on the Group's main divisional operations as follows:
- Building
- Civil Engineering
- Facilities
- Development and PFI (DPFI)

In addition, the Group operates an 'other activities' segment. The other activities segment includes the manufacturing of surfacing solutions, technology, the remaining international business and the Group's supply of central services (i.e. insurance, fleet, property, plant) to the other divisions. None of these individual activities meet any of the quantitative thresholds for determining reportable segments. Trading between segments is carried out on an arm's length basis.

The Group's activities are primarily within the UK. Therefore, no geographical segmental analysis is presented. The Chief operating decision maker for the segments is the management Board of VINCI Construction UK Limited.
Information regarding the results of each reportable segment is included below.

Income statement
Group 2021

	Building	Civil Engineering	Facilities	DPFI	Other	Total
	£000	£000	£000	£000	£000	£000
Gross revenue	484,678	318,905	367,021	2,473	9,829	1,182,906
Less inter segment revenue	-	-	(8,150)	-	(917)	(9,067)
Consolidated revenue	484,678	318,905	358,871	2,473	8,912	1,173,839
Operating profit/(loss) before goodwill impairment	11,605	8,656	11,342	(668)	(3,842)	27,093
Financial income	-	1	-	-	5,119	5,120
Financial expenses	(11)	(2)	(38)	-	(6,104)	(6,155)
Profit/(loss) before taxation	11,594	8,655	11,304	(668)	(4,827)	26,058
Taxation	-	-	-	-	170	170
Depreciation and amortisation	(247)	(415)	(740)	-	(10,297)	(11,699)

2. Segmental reporting (continued)

Income statement
Group 2020

	Building	Civil Engineering	Facilities	DPFI	Other	Total
	£000	£000	£000	£000	£000	£000
Gross revenue	380,746	171,881	302,122	4,768	8,153	867,670
Less inter segment revenue	-	-	(8,180)	-	(1,014)	(9,194)
Consolidated revenue	380,746	171,881	293,942	4,768	7,139	858,476
Operating profit/(loss) before goodwill impairment	8,753	2,886	6,111	430	(1,263)	16,917
Financial income	29	13	23	-	5,973	6,038
Financial expenses	(16)	(4)	(13)	-	(6,739)	(6,772)
Profit/(loss) before taxation	8,766	2,895	6,121	430	(2,029)	16,183
Taxation	-	-	-	-	(1,133)	(1,133)
Restated depreciation and amortisation	(228)	(44)	(689)	-	(9,654)	(10,615)

Balance sheet Group 2021	Building	Civil Engineering	Facilities	DPFI	Other	Total
	£000	£000	£000	£000	£000	£000
Intangible assets	12,281	56,396	24,482	-	176	93,335
Property, plant and equipment	-	18,465	1,004	-	8,872	28,341
Right -of-use asset	350	37	718	-	20,928	22,033
Elimination of shares	(12,301)	(62,270)	(52,502)	(3,000)	130,073	-
Investments accounted for using the equity accounting method	-	311	-	5,478	-	5,789
Other non-current assets	14	-	3	698	13,651	14,366
Current assets	117,471	286,278	95,992	2,719	36,897	539,357
Total assets	117,815	299,217	69,697	5,895	210,597	703,221
Current liabilities	115,594	297,151	29,021	(42,243)	140,219	539,742
Non-current liabilities	31,107	204,500	1,908	23,500	(186,179)	74,836
Total liabilities	146,701	501,651	30,929	(18,743)	(45,960)	614,578
Total equity	(28,886)	(202,434)	38,768	24,638	256,557	88,643

Balance sheet Group 2020	Building	Civil Engineering	Facilities	DPFI	Other	Total
	£000	£000	£000	£000	£000	£000
Intangible assets	12,281	56,396	24,705	-	176	93,558
Property, plant and equipment	-	5,538	1,362	-	8,727	15,627
Right -of-use asset	542	75	855	-	18,215	19,687
Elimination of shares	(13,100)	(62,270)	(52,502)	(3,000)	130,872	-
Investments accounted for using the equity accounting method	-	265	-	5,623	-	5,888
Other non-current assets	25	(519)	15	1,454	10,472	11,447
Current assets	104,544	272,454	66,733	2,817	4,774	451,322
Total assets	104,292	271,940	41,168	6,894	173,235	597,529
Current liabilities	111,066	277,819	11,200	(41,113)	86,795	445,767
Non-current liabilities	31,272	204,539	2,024	23,500	(186,501)	74,834
Total liabilities	142,338	482,358	13,224	(17,612)	(99,707)	520,601
Total equity	(38,046)	(210,418)	27,944	24,506	272,942	76,928

3. Breakdown of expenses by nature

Group

Included in profit are the following:		2021	2020
		£000	£000
Employee benefit expenses (see 5(i))		175,395	162,284
Low value leases - plant and machinery		27,524	26,796
Short term leases – plant and machinery		15,978	894
Restated depreciation of tangible assets		11,699	10,615
Impairment of goodwill		-	-
Loss on disposal of property, plant and equipment		224	76
Auditors' remuneration	- audit of these financial Statements	450	369
	-non-audit fees	-	-

Company

Auditors' remuneration	- audit of these financial statements	15	15

4. Other operating income

	2021	2020
	£000	£000
Income received and receivable from joint ventures involved in development activity	1,585	1,001

5. Employees

Group

(i) Staff costs during the year amounted to:	2021	2020
	£000	£000
Wages and salaries	149,956	137,463
Social security costs	15,180	14,107
Pension costs – defined contribution scheme	7,381	6,768
– defined benefit scheme	404	533
	172,921	158,871
Share based payments (see note 17)	2,361	2,580
Redundancy costs	113	833
	175,395	162,284

5. **Employees** (continued)

The monthly average number of employees during the year was as follows:

	2021 No.	2020 No.
Management	110	110
Supervision	847	805
Administration	708	672
Operations	2,047	1,945
	3,712	3,532

6. **Directors' remuneration**

	2021 £000	2020 £000
Emoluments	311	-
Pension costs - defined contribution	-	-
	311	-

Two (2020: none) of the directors received remuneration relating to their service as Directors of VINCI PLC during 2021. None of the current directors (2020: none) is accruing benefits under the Group defined benefit plans and none (2020: none) is accruing benefits under the defined contribution plan. Directors' emoluments disclosed above include the following:

	2021 £000	2020 £000
Highest paid Director		
Emoluments	264	-

The defined contribution pension scheme costs relating to the highest paid director were £nil (2020: £nil). The annual pension accruing to the highest paid director under the Group defined benefit scheme is £nil (2020: £nil).

None of the Directors of the Group and Company exercised share options in 2021 (2020: none). The value of the compensation to directors in share based payments in 2021 was £nil (2020: £nil).

7. Finance income and expense

	2021 £000	2021 £000	2020 £000	2020 £000
Other financial income and similar income:				
Return on pension assets	4,847		5,144	
Bank interest	267		528	
Foreign exchange gains	6		366	
Total financial and similar income		5,120		6,038
Financial expenses and similar charges:				
Interest on pension obligation		(5,466)		(6,100)
Foreign exchange losses		(193)		(69)
Finance lease liability		(496)		(603)
Total financial and similar charges		(6,155)		(6,772)
Net financial expenses		(1,035)		(734)

8. Taxation

Recognised in income statement:	2021 £000	2020 £000
Current tax:		
UK corporation tax on profit for the year	(1,533)	(1,120)
Adjustments in respect of previous years	521	(180)
Total current tax	(1,012)	(1,300)
Deferred tax - origination and reversal of timing differences	(664)	(259)
Changes in tax rates	1,707	386
Adjustments in respect of previous years	139	40
Tax credit/(charge) on profit on ordinary activities	170	(1,133)

8. **Taxation** (continued)

Reconciliation of effective tax rate

The tax assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK. The differences are explained below.

	2021 £000	2020 £000
Profit on ordinary activities before taxation	26,058	16,183
Theoretical tax at UK corporation tax rates 19% (2020: 19%)	(4,951)	(3,075)
Effects of:		
Income not taxable/Expenditure not tax deductible	461	375
Adjustment for tax rate differences	1,707	386
Current year losses not recognised/ losses brought forward for which there was no deferred tax	2,293	1,321
Other adjustments in respect of prior years	660	(140)
Dividend income not taxable	-	-
Actual total taxation credit/(charge)	170	(1,133)

The change of the corporation tax rate from 19% to 25% from the financial year beginning 1 April 2023 was substantively enacted on 24 May 2021. Therefore, the charge to corporation tax for the current year is set at 19% whilst the closing deferred tax rate is set as 25% (2020:19%).

9. **Intangible assets**

Group

	Goodwill	Brand name	Customer list	Total
	£000	£000	£000	£000
Cost				
At 1st January 2020	102,951	28,253	3,245	134,449
Acquisition	-	-	-	-
Balance at 31st December 2020	102,951	28,253	3,245	134,449
At 1st January 2021	102,951	28,253	3,245	134,449
Acquisition	-	-	-	-
Balance at 31st December 2021	102,951	28,253	3,245	134,449
Impairment losses and amortisation				
At 1st January 2020	32,116	5,530	3,245	40,891
Amortisation charge for the year	-	-	-	-
Balance at 31st December 2020	32,116	5,530	3,245	40,891
At 1st January 2021	32,116	5,530	3,245	40,891
Impairment charge for the year	-	223	-	223
Balance at 31st December 2021	32,116	5,753	3,245	41,114
Net book value				
At 31st December 2020	70,835	22,723	-	93,558
At 31st December 2021	70,835	22,500	-	93,335

With the exception of goodwill relating to the facilities management joint venture acquired in 2002, all goodwill was amortised over 20 years. Following the adoption of IFRSs, goodwill is no longer amortised over 20 years but tested annually for impairment. The goodwill relating to the facilities management joint venture has been amortised over the remaining life of the contract of 58 months from acquisition and is now fully amortised.

On 31st March 2017, the Group acquired 50% of the ordinary share capital of VINCI Facilities Partnerships Limited (VFPL), formerly VINCIMouchel Limited, to bring its total holding in the Company to 100%. VFPL delivers property services under a single contract. As the fixed term of on this contract expired in 2020, the contract right intangible asset acquired of £286,000 was written off over three years.

9. **Intangible assets (continued)**

The customer list values for all intangible assets were fully amortised in prior years.
In assessing the indefinite useful life of the brand names, due consideration is given to existing longevity of the various VINCI PLC brands, the indefinite life cycle of the construction industry in which the brands operate and the expected usage of the brand names in the future.

For the purpose of impairment testing, intangible assets are allocated to the Group's operating divisions as reported in Note 2. The key assumptions are sustained activities at pre-pandemic levels for the next five years with a growth rate of 1% thereafter at a conservative profit margin based on Board approved projections, and a pre-tax discount rate of 8.05% (2020: 7.8%). Sensitivity analysis has been undertaken on each intangible asset impairment review, by changing the discount rate, growth rate and profit margins. None of these sensitivities resulted in the receivable amount of the intangible asset being reduced below its current carrying value. The above forecasts also took into consideration the various climate related risks and environmental matters referred to in the Strategic Report. The aggregate carrying amount of intangible assets allocated to each reporting segment is as follows:

	Goodwill 2021 £000	Brand name 2021 £000	Total 2021 £000	Goodwill 2020 £000	Brand name 2020 £000	Total 2020 £000
Building	12,281	-	12,281	12,281	-	12,281
Civil Engineering	33,896	22,500	22,500	33,896	22,500	56,396
Facilities	24,482	-	14,482	24,482	223	24,705
Other	176	-	176	176	-	176
	70,835	22,500	93,335	70,835	22,723	93,558

Impairment loss

2021 and 2020

Recoverable values arising from impairment testing were in excess of allocated carrying values for all Cash Generating Units (CGU), and as such no impairment losses were recognised in either 2021 or 2020.

The main assumptions used for each CGU, which relate to sales volume, cost changes and working capital requirements, are based on recent history and expectations of future changes in the market. A significant change in these assumptions would be needed to show an impairment.

10. **Property, plant and equipment**

Group	Land and buildings £000	Plant and machinery £000	Plant and machinery – in progress* £000	Motor vehicles £000	Computer systems, fixtures and fittings £000	Total £000
Cost or valuation:						
At 1st January 2020	13,719	5,161	-	292	7,408	26,580
Additions	76	50	5,543	21	1,105	6,795
Disposals	-	(104)	-	(5)	(584)	(693)
Effect of exchange rate movements	-	2	-	-	2	4
Reclassification	(51)	-	-	-	-	(51)
At 31st December 2020	13,744	5,109	5,543	308	7,931	32,635
Cost or valuation:						
At 1st January 2021	13,744	5,109	5,543	308	7,931	32,635
Additions	84	3,061	10,688	-	1,056	14,889
Disposals	-	(93)	-	(1)	(683)	(777)
Effect of exchange rate movements	-	-	-	-	-	-
At 31st December 2021	13,828	8,077	16,231	307	8,304	46,747
Depreciation:						
At 1st January 2020	5,328	3,693	-	225	6,544	15,790
Charged	621	36	-	27	1,153	1,837
Disposals	-	(101)	-	(3)	(469)	(573)
Effect of exchange rate movements	-	2	-	-	3	5
Reclassification	(51)	-	-	-	-	(51)
At 31st December 2020	5,898	3,630	-	249	7,231	17,008
Depreciation						
At 1st January 2021	5,898	3,630	-	249	7,231	17,008
Charged	613	398	-	8	1,155	2,171
Disposals	-	(93)	-	-	(683)	-
Effect of exchange rate movements	-	-	-	-	-	-
At 31st December 2021	6,511	3,935	--	257	7,703	18,406
Net Book Value						
At 31st December 2020	7,846	1,479	5,543	59	700	15,627
At 31st December 2021	7,317	4,142	16,231	50	601	28,341

* Machinery in construction for the HS2 N1 + N2 Project

10. Property, plant and equipment (continued)

Company	Plant and machinery £000	Plant and machinery – in the course of construction * £000	Computer systems, fixtures and fittings £000	Motor Vehicles £000	Total £000
Cost:					
At 1st January 2020	312	-	7,789	-	8,101
Additions	-	51	963	-	1,014
Change in accounting method	-	-	-	-	-
Disposals	-	-	(426)	-	(426)
At 31st December 2020	312	51	8,326	-	8,689
At 1st January 2021	312	51	8,326	-	8,689
Additions	-	374	1,007	-	1,381
Change in accounting method	-	-	-	-	-
Disposals	-	-	(1)	-	(1)
At 31st December 2021	312	425	9,332	-	10,069
Depreciation:					
At 1st January 2020	312	-	5,992	-	6,304
Charged	-	-	1,070	-	1,070
Change in accounting method	-	-	-	-	-
Disposals	-	-	(353)	-	(353)
At 31st December 2020	312	-	6,709	-	7,021
At 1st January 2021	312	-	6,709	-	7,021
Charged	-	-	1,023	-	1,023
Change in accounting method	-	-	-	-	-
Disposals	-	-	-	-	-
At 31st December 2021	312	-	7,732	-	8,044
Net book value:					
At 31st December 2020	-	51	1,617	-	1,668
At 31st December 2021	-	425	1,600	-	2,025

* Machinery in construction for the HS2 N1 + N2 Project

10 (a). **Right-of-use assets**

Group	Buildings £000	Vehicles £000	Total £000
Cost:			
At 1st January 2020	8,753	25,536	34,289
Additions	654	5,106	5,760
Restated disposals	(647)	(3,776)	(4,423)
Restated as at 31st December 2020	8,760	26,866	35,626
At 1st January 2021	8,760	26,866	35,626
Additions	306	11,964	12,270
Disposals	(256)	(7,148)	(7,404)
At 31st December 2021	8,810	31,682	40,492
Depreciation:			
At 1st January 2020	1,995	8,016	10,011
Charged	1,643	7,135	10,137
Restated disposals	(433)	(2,417)	(4,209)
At 31st December 2020	3,205	12,734	15,939
At 1st January 2021	3,205	12,734	15,940
Charged	1,667	7,860	9,526
Disposals	(222)	(6,785)	(7,007)
At 31st December 2021	4,650	13,809	18,459
Net Book Value			
At 31st December 2020	5,555	14,132	19,687
At 31st December 2021	4,160	17,873	22,033

10(a). **Right-of use assets (continued)**

Company	Buildings £000	Total £000
Cost or valuation:		
At 1st January 2021	5,919	5,919
Additions	12	12
Disposals	-	-
At 31st December 2021	5,931	5,931
At 1st January 2020 and 31st December 2020	5,919	5,919
Depreciation:		
At 1st January 2021	1,958	1,958
Charged	979	979
Disposals	-	-
At 31st December 2021	2,937	2,937
At 1st January 2020	979	979
Charged	979	979
At 31st December 2020	1,958	1,958
Net book value:		
At 31st December 2021	2,994	2,994
At 31st December 2020	3,961	3,961

11. Investments

Movements in the investments in joint ventures are as follows:

	Shares in joint ventures £000	Loans to joint ventures £000	Post-acquisition reserves £000	Total £000
At 1st January 2020	290	5,353	1,735	7,378
Profit for the year	-	-	10	10
Dividend	-	-	(1,500)	(1,500)
At 31st December 2020	290	5,353	245	5,888
At 1st January 2021	290	5,353	245	5,888
Profit for the year	-	-	527	527
Dividend	-	-	(626)	(626)
At 31st December 2021	290	5,353	146	5,789

The Group owns 50% of the ordinary shares of VINCI Environment UK Limited which commenced trading in 2009 and is incorporated in the UK. This investment is accounted for using the equity accounting method. The Group's share of the result of VINCI Environment UK Limited is a profit of £530,000 (2020: £13,000 profit).

Through VINCI UK Developments Limited, the Group owns 50% of the ordinary shares of VSM Estates Limited but the Group is only entitled to 25% of this company's profits. Due to the profit-sharing arrangement, VSM Estates Limited has been accounted for as a 25% equity investment. The Group's share of the profit from VSM Estates Limited in 2021 was £nil (2020: £nil) though it recorded a dividend of £626,000 in the year.

The Group also owns 50% of the ordinary shares and profits of VSM (NCGM) Limited. The Group's share of the profit from VSM (NCGM) Limited of £nil (2020: £nil), has been included on a separate line within share of profits from equity accounted entities.

11. **Investments** (continued)

The Group also owns 50% of the ordinary shares and profits of VSM Estates (Uxbridge) Limited and VSM (NCGM) Limited. No share of profit or loss has been recognised with regards to these entities in either the current or previous year.

The Group has a 50% interest in John Jones (Excavation) Limited. This is accounted for using the equity accounting method. The Group's share of the result of John Jones (Excavation) Limited, a loss of £3,000 (2020: £3,000 loss) is included on the line "share of profits/(losses) of entities using the equity accounting method".

Except where stated otherwise all the Group's equity accounted investments were incorporated in the UK.

Details of all joint ventures and operations in which the group is involved are given on page 96.

2021 £000	John Jones (Excavation) Limited	VINCI Environment UK Limited	VSM Estates Limited	VSM Estates (Uxbridge) Limited	VSM (NCGM) Limited
Income	-	802	-	-	-
Expenses	(6)	257	-	-	-
(Loss)/profit from continuing operations	(6)	1,059	-	-	-
Total comprehensive income	(6)	1,060	-	-	-
Cash and cash equivalents	231	297	1,990	1,429	36,749
Non-current assets	-	-	-	-	63,606
Current assets	231	397	12,109	30,651	82,140
Current liabilities	-	(7)	(11,609)	(13,256)	(3,795)
Non-current liabilities	-	-	-	(17,395)	(141,951)
2020 £000					
Income	-	72	-	-	-
Expenses	(6)	(47)	-	-	-
(Loss)/profit from continuing operations	(6)	25	-	-	-
Total comprehensive income	(6)	25	-	-	-
Cash and cash equivalents	236	6,809	5,028	8,538	11,098
Non-current assets	-	-	-	-	56,362
Current assets	237	8,172	14,607	33,022	100,612
Current liabilities	-	(8,841)	(11,607)	(15,412)	(706)
Non-current liabilities	-	-	-	(17,610)	(156,268)

VSM Estates Limited, VSM Estates (Uxbridge) Limited and VSM (NCGM) Limited are involved in the development and sale of real estate. VINCI Environment UK Limited is involved in civil engineering projects. Under the above joint ventures, the Group has commitments of £nil (2020: £nil) that have been contracted but not provided for in the financial statements.

11. **Investments** (continued)

Company
This comprises shares in Group undertakings:

	Total
Cost:	£000
At 1st January 2020	351,931
Transfer for subsidiary undertaking	24,745
Reduction	(619)
At 31st December 2020	376,057
At 1st January 2021	376,057
Transfer for subsidiary undertaking	-
Reduction	(799)
At 31st December 2021	375,258
Provisions for impairment:	
At 1st January 2020	183,047
Increase in the year	2,462
At 31st December 2020	185,509
At 1st January 2021	185,509
Increase in the year	(678)
At 31st December 2021	184,831
Net book value:	
At 31st December 2020	190,548
At 31st December 2021	190,427

On 1st January 2020 VINCI PLC's subsidiary, VINCI Construction UK Limited, transferred its investment in VINCI UK Developments Limited to VINCI PLC at its net book value. This is to distinguish it from the Group's construction business.

12. **Other investments**

Group	2021 £000	2020 £000
Loan	-	481
Equity securities	13	13
	13	494

These investments are accounted for at cost, as less than 20% of the shares were acquired and no significant influence or control exists.

The equity securities represent a 12.5% interest in the Tramlink Nottingham PFI project via Tramlink Nottingham (Holdings) Limited.

13. **Inventories**

Group	2021 £000	2020 £000
Raw materials and consumables	329	310
Items for resale	-	-
	329	310

14. **Trade and other receivables**

Group	2021 £000	2020 £000
Trade receivables	73,685	27,241
Amounts recoverable on contracts	116,663	135,349
Due from parent and fellow subsidiary undertakings	4,666	3,810
Other receivables	8,680	8,327
Prepayments and accrued income	20,731	12,649
	224,425	187,376

14. Trade and other receivables (continued)

Company	2021 £000	2020 £000
Trade receivables	126	96
Due from parent and fellow subsidiary undertakings	376	725
Other receivables	134	213
Prepayments and accrued income	1,750	1,308
	2,386	2,342

At 31st December 2021, amounts recoverable on contracts for the group include retentions of £26,343,000 (2020: £24,910,000) relating to construction contracts for the Group and £nil (2020: £nil) for the Company. £17,501,000 (2020: £6,894,000) is expected to be recovered in more than 1 year but not more than 2 years and £6,322,000 (£2,855,000) is expected to be received between two and five years.

Retentions will be collected in the normal operating cycle of the Group and are therefore all shown in current receivables.

Amounts recoverable on contracts represents unbilled amounts and includes amounts arising from changes to the scope of works that have been recognised as revenue but not yet billed to the customer. Amounts recoverable, as with other working capital balances such as accruals, vary depending on the nature of timing of the works being undertaken on current contracts. There were no significant one-off factors outside of trading in the year.

The Directors consider that the carrying amounts of trade and other receivables approximate to their fair value at 31st December 2021. After expected credit loss assessment, in accordance with IFRS9, total trade and other receivables are stated net of the provisions for irrecoverable amounts of nil (2020: £nil).

14. Trade and other receivables (continued)

Trade receivables, other receivables and accrued income are analysed as follows:

Group

	2021 Corporate £000	2021 Public sector £000	2020 Corporate £000	2020 Public sector £000
Not overdue	194,081	856	173,452	1,508
Between 1 to 3 months past due	14,857	-	4,112	-
Between 3 and 6 months past due	3,103	-	3,114	-
More than 6 months past due	11,528	-	5,190	-
At 31st December	223,569	856	185,868	1,508

Company

	2021 Corporate £000	2021 Public sector £000	2020 Corporate £000	2020 Public sector £000
Not overdue	2,386	-	2,342	-
Between 1 to 3 months past due	-	-	-	-
Between 3 and 6 months past due	-	-	-	-
More than 6 months past due	-	-	-	-
At 31st December	2,386	-	2,342	-

15. Trade and other payables

Group	2021 £000	2020 £000
Trade payables	61,360	17,848
Due to parent and fellow subsidiary undertakings	1,430	4,528
Other taxation and social security	31,669	21,006
Other payables	41,108	32,328
Accruals	224,661	220,512
Payments on account	96,717	71,655
	456,945	367,877

Company	2021 £000	2020 £000
Due to parent and fellow subsidiary undertakings	20,846	20,844
Other taxation and social security	750	8,170
Other payables	8,164	7,324
Accruals	3,088	3,476
	32,848	39,814

Accruals at 31st December 2021 for the Group include retentions on construction contracts of £25,433,000 (2020: £24,899,000). The retentions are included within current trade payables and other payables as they will be collected within normal operating cycles of the Group.

Included within accruals and other payables are retentions of £30,419,000 (2020: £16,017,000) for the Group and £nil (2020: £nil) for the Company expected to be payable as follows:

	2021 £000	2020 £000
In more than one year but not more than two years	23,390	3,523
In more than two years but not more than five years	6,672	12,151
In more than five years	357	343
	30,419	16,017

15. **Trade and other payables (continued)**

	1st January 2021	Provisions Taken	Provisions Used	31st December 2021
After-sales service	41,001	9,731	(12,599)	38,133
Loss on completion & construction project liabilities	972	1,253	(340)	1,885
Litigation	7,553	3,218	(654)	10,117
Other	15,539	7,521	(4,809)	18,251
	65,065	21,723	(18,402)	68,386

	1st January 2020	Provisions Taken	Provisions Used	31st December 2020
After-sales service	37,518	17,135	(13,652)	41,001
Loss on completion & construction project liabilities	1,156	962	(1,146)	972
Litigation	6,857	3,636	(2,940)	7,553
Other	12,114	4,009	(584)	15,539
	57,645	25,742	(18,322)	65,065

Current provisions are directly related to the operating cycle. They are recognised in accordance with IAS 37 and at their present value. Provisions for after-sales service cover the Group's commitments under warranties relating to completed projects. They are estimated statistically based on expenses incurred in previous periods or individually on the basis of specifically identified events. Provisions for losses on completion of contracts and for construction project liabilities are set aside mainly when end-of-contract projections, based on the most likely outcome, indicate a loss, or to cover work yet to be carried out in respect of completed contracts under completion warranties.

Provisions for litigation include sums for disputes connected with operations with customers or the supply chain.

Provision for other current liabilities include provision for worksite restoration and removal costs.

15 (b) **Other interest-bearing loans and borrowings**

Group	2021 Current £000	2021 Non-current £000	2020 Current £000	2020 Non - current £000
Loan from related parties	5,000	23,500	2,000	23,500

The loan from related parties is split as follows: -
£ 28,500,000 (2020: £25,500,000) shareholder loan granted by VSM (NCGM) Ltd to VINCI UK Developments Limited. The group owns 50% of VSM (NCGM) Ltd.
£5,000,000 of this loan is payable by the 1st of January 2023 in current liabilities.
The final balance of £23,500,000 of this loan is payable in instalments by the 1st of May 2027 in non-current liabilities. The interest is payable at a rate of 2.5% per annum.

16. **Deferred tax assets and liabilities**

Group

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021	2020	2021	2020	2021	2020
	£000	£000	£000	£000	£000	£000
Property, plant and equipment	1,755	1,583	-	-	1,755	1,583
Employee benefits	9,585	7,173	-	-	9,585	7,173
Other temporary differences	-	-	(1,164)	(978)	(1,164)	(978)
Losses	4,177	3,175	-	-	4,177	3,175
Tax assets / (liabilities)	15,517	11,931	(1,164)	(978)	14,353	10,953

The group also has tax losses of £ 158.4m as at 31st December 2021 (2020: £172.3m) which have not been recognised as these may only be set against certain profits arising in specific subsidiaries in future accounting years. Consequently, the group has unrecognised deferred tax assets of £39.6m as at 31st December 2021 (2020: £32.7m).

Movement in deferred tax during the prior year

	1 January 2020 £000	Recognised in income £000	Recognised in equity £000	31 December 2020 £000
Property, plant and equipment	1,725	(142)	-	1,583
Employee benefits	8,988	-	(1,815)	7,173
Other temporary differences	(951)	(27)	-	(978)
Losses	2,840	335	-	3,175
Share options	-	-	-	-
	12,602	166	(1,815)	10,953

Recoverability of Deferred tax

	No more than 12 months £000	More than 12 months £000	Total £000
Property, plant and equipment	250	1,333	1,583
Employee benefits	289	6,884	7,173
Other temporary differences	(171)	(807)	(978)
Losses	-	3,175	3,175
	368	10,585	10,953

16. Deferred tax assets and liabilities (continued)

Group

Movement in deferred tax during the year

	1 January 2021 £000	Recognised in income £000	Recognised in equity £000	31 December 2021 £000
Property, plant and equipment	1,583	172	-	1,755
Employee benefits	7,173	193	2,219	9,585
Other temporary differences	(978)	(186)	-	(1,164)
Losses	3,175	1,002	-	4,177
Share options	-	-	-	-
	10,953	1,181	2,219	14,353

Recoverability of Deferred tax

	No more than 12 months £000	More than 12 months £000	Total £000
Property, plant and equipment	128	1,627	1,755
Employee benefits	380	9,205	9,585
Other temporary differences	(225)	(939)	(1,164)
Losses	-	4,177	4,177
	283	14,070	14,353

16. Deferred tax assets and liabilities (continued)

Company

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021	2020	2021	2020	2021	2020
	£000	£000	£000	£000	£000	£000
Property, plant and equipment	1,613	1,378	-	-	1,613	1,378
Other temporary differences	-	-	-	-	-	-
Employee benefits	9,585	7,173	-	-	9,585	7,173
Share options	-	-	-	-	-	-
Tax assets	11,198	8,551	-	-	11,198	8,551

Movement in deferred tax during the prior year

	1 January 2020 £000	Recognised in income £000	Recognised in equity £000	Transferred in £000	31 December 2020 £000
Property, plant and equipment	1,467	(89)	-	-	1,378
Other temporary differences	-	-	-	-	-
Employee benefits	8,988	-	(1,815)	-	7,173
Share options	-	-	-	-	-
	10,455	(89)	(1,815)	-	8,551

Movement in deferred tax during the year

	1 January 2021 £000	Recognised in income £000	Recognised in equity £000	Transferred in £000	31 December 2021 £000
Property, plant and equipment	1,378	235	-	-	1,613
Other temporary differences	-	-	-	-	-
Employee benefits	7,173	193	2,219	-	9,585
Share options	-	-	-	-	-
	8,551	428	2,219	-	11,198

The deferred tax is calculated at a rate of 25% (2020:19%).

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

Company

Recoverability of Deferred tax

	No More than 12 months £000	More than 12 months £000	Total £000
Property, plant and equipment	233	1,380	1,613
Employee benefits	380	9,205	9,585
	613	10,585	11,198

17. **Employee Benefits**

Pensions for the majority of monthly paid staff are provided through the VINCI Pension Trust (VPT). A very small number of employees are members of a defined benefit scheme, the VINCI NHS Pension Scheme (VNHSPS). The Group also runs a defined benefit scheme which is closed to future accrual, the VINCI Pension Scheme (VPS).

The VPT is a defined contribution occupational pension scheme, run as a Mastertrust arrangement by Legal & General. Contributions are invested on behalf of the members in accordance with their investment wishes or a selected default strategy. At retirement, members can choose to take their fund as cash, drawn down directly from the fund or purchase an annuity.

Eighteen employees are members of the VNHSPS. The VNHSPS was transferred to VINCI Construction UK Limited in 2009 as a result of a business acquisition. The VNHSPS' assets and liabilities were transferred into the VPS on the 1st of January 2020. This was done by aggregating the calculations of the net balance sheet liability of the VPS (pre-merger) with the net balance sheet of the VNHSPS using consistent assumptions in both schemes with effect from the close of business on the 31st December 2019.

The VPS is an externally managed and funded defined benefit pension scheme. The VPS operates under UK trust law and is managed and administered on behalf of its members in accordance with the terms of the trust deed, the scheme rules and UK legislation (principally the Pension Schemes Act 1993, the Pensions Act 1995 and the Pensions Act 2004). Under UK legislation a defined benefit pension scheme is required to meet the statutory funding objective of having sufficient and appropriate assets to cover its liabilities. Pension fund trustees are required to: prepare a statement of funding principles; obtain regular actuarial valuations and reports; put in place a recovery plan addressing any funding shortfall; and send regular summary funding statements to members of the scheme. The VPS's corporate trustee is VINCI Pensions Limited. VINCI Pensions Limited is the legal owner of the scheme assets which are held separately from the assets of the Group. The Board of VINCI Pensions Limited comprises two trustee directors nominated by members selected from eligible active staff or pensioner members and four appointed by VINCI PLC. The Board is responsible for operating the scheme in line with its formal rules and pensions law. It has a duty to act in the best interests of all scheme members.

17. Employee benefits (continued)

Risks associated with the company's defined benefit pensions:

Risk	Description	Mitigation
Interest rate risk	Volatility in financial markets can change the calculations of the obligation significantly as the calculation of the obligation is linked to yields on high quality corporate bonds. A decrease in the bond yield will have an adverse impact on the funding position of the scheme.	A decrease in yields will be partially offset by increases in the value of matching plan assets such as index linked gilts and liability driven investments (LDI). During the year exposure to leveraged LDI funds and Multi-asset Credit was increased, raising the interest rate hedge from c. 50% to c. 60%.
Inflation risk	The fund is linked to inflation. A higher rate of expected long term inflation can lead to higher liabilities. This risk is managed by holding inflation-linked bonds and liability driven investments in order to reduce inflation risk.	As part of the investment strategy, the Trustee aims to mitigate this risk through investment in an LDI portfolio. During the year, the Scheme bought more LDI and increased its hedging level, resulting in greater inflation protection in the portfolio.
Investment risk	The Scheme's accounting liabilities are calculated using a discount rate set with reference to corporate bond yields. If the return on the scheme's assets underperform this rate, the accounting deficit will increase.	This risk is partially managed by liability matching assets and the Trustee regularly monitors the funding position, operating a diversified investment strategy.
Longevity risk	The present value of the Scheme's defined benefit liability is calculated by reference to the best estimate of the mortality of the Scheme's members. An increase in the life expectancy of members above that assumed will lead to higher liabilities.	Liabilities reflect the latest mortality information available to actuaries by the CMI (Continuous Mortality Investigation). The Trustee regularly monitors the impact of changes in longevity on Scheme obligations.

The scheme was closed to future accrual on 31 August 2016. At 31 December 2021 there were 18 active members who transferred in from a smaller Group Scheme on 1 January 2020. The last full valuation of the scheme was carried out at 31 December 2019 and was updated for IAS19(R) purposes to 2021 by a qualified actuary.

	Group and Company VPS 2021 £000	Group and Company VPS 2020 £000
Total defined benefit liability	337,958	336,611
Total defined benefit asset	(301,694)	(298,778)
Net liability for defined benefit obligations (see following table)	36,264	37,833

17. Employee benefits (continued)

Group and Company - VINCI Pension Scheme (VPS)

Movement in net defined benefit liability

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability/(asset)	
	2021	2020	2021	2020	2021	2020
	£000	£000	£000	£000	£000	£000
Balance at 1 January	336,611	334,879	298,778	282,966	37,833	51,913
Included in profit or loss						
Current service cost	404	533	-		404	533
Interest cost	5,466	6,100	4,847	5,144	619	956
Employees contribution	29	40	29	40	-	-
	342,510	341,552	303,654	288,150	38,856	53,402
Included in OCI						
Remeasurements (gain)/loss:						
Actuarial (gain)/loss arising from						
- Changes in demographic Assumptions	(654)	9,902	-	-	(654)	9,902
- Change in financial assumptions	12,363	9,051	-	-	12,363	9,051
- Experience adjustment	(4,043)	(11,888)	-	-	(4,043)	(11,888)
Return on plan assets						
Excluding interest income	-	-	5,973	21,256	(5,973)	(21,256)
	350,176	348,617	309,627	309,406	40,549	39,211
Other						
Contributions paid by the employer	-	-	4,285	1,378	(4,285)	(1,378)
Benefits paid	(12,218)	(12,006)	(12,218)	(12,006)	-	-
Balance at 31 December	337,958	336,611	301,694	298,778	36,264	37,833

17. Employee Benefits (continued)

Actuarial assumptions
Principal actuarial assumptions (expressed as weighted averages):

	Group and Company VPS 2021 %	Group and Company VPS 2020 %
Discount rate - benefit obligations	1.65	1.65
Future salary increases	1.00	1.00
Inflation	3.25	2.85
Future pension increases (VPS)		
- in payment (pre-1997 joiners)	3.60	3.40
- in payment (pre-1997 joiners)	3.20	2.85
- in deferment		
(i) linked to RPI, capped at 5% per annum	3.25	2.85
(ii) as (i) with a floor of 3% per annum	3.25	3.00
(iii) linked to CPI, capped at 5% per annum	2.65	2.25

	Group and Company (VPS)			
Life expectancy (years)	31.12.21		31.12.20	
	Male	Female	Male	Female
Member age 65 (current life expectancy)	21.9	23.9	21.9	23.8
Member age 50 (life expectancy at 65)	22.8	25.0	22.8	24.9

Experience adjustments Group and Company – VPS

	2021 £000	%	2020 £000	%	2019 £000	%	2018 £000	%	2017 £000	%	2016 £000	%
Experience adjustments on plan liabilities	4,043	1	11,888	4	(176)	-	(4,935)	(2)	(2,630)	(1)	1,626	1
Experience adjustments on plan assets	5,973	2	21,256	7	14,542	5	(6,255)	(2)	11,584	4	17,068	6
	10,016		33,144		14,366		(11,190)		8,954		18,694	

17. **Employee Benefits (continued)**

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting year would have increased / (decreased) as a result of a change in the respective assumptions as follows:

	VPS 2021 £m	VPS 2020 £m
Discount rate - 0.25% reduction	13.5	14.1
- 0.25% increase	(12.9)	(13.3)
Inflation (RPI, CPI)		
- 0.25% reduction	(7.0)	(4.7)
- 0.25% increase	7.2	4.49

In valuing the liabilities of the pension fund at 31st December 2021, mortality assumptions have been made as indicated above. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities at 31st December 2021 would have increased by £9.4m (2020: £9.4m) before deferred tax for the Vinci Pension Scheme.

The above sensitivities are based on the average duration of the defined benefit obligation determined at the date of the last full actuarial valuations and are applied to adjust the defined benefit obligation at the end of the reporting year for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

The Company expects to pay £3,223,000 in contributions to its defined benefit plans in 2021. The weighted average duration of the defined benefit obligation at the end of the reporting year is 15.9 years.

Defined Contribution Plans

The Group operates a number of defined contribution plans. The total expense relating to these plans in the current year was £7,381,000 (2020: £6,768,000).

17. Employee Benefits (continued)

Performance Shares-Group and Company

Employees have been granted a maximum number of performance shares as follows: -

Date of grant	Group		Company	
	No. of Employees	No. of Shares	No. of Employees	No. of Shares
8th April 2021	45	27,100	3	980
9th April 2020	33	26,583	2	796
17th April 2019	40	28,346	2	800
17th April 2018	37	27,346	2	800

On 17th April 2018, 17th April 2019, 9th April 2020 and 8th April 2021 new long-term incentive plans were set up involving conditional grants to employees, consisting of performance shares only. These shares will only vest definitively after a period of three years.

Vesting is subject to beneficiaries being employed by the Group until the end of the vesting period, and to performance conditions in respect of the performance shares.

The main assumptions used to determine the fair values of the performance shares currently in force are as follows:

Date of grant	Fair Value at Grant Date	Fair value compared with share price at grant date %	Risk-free interest rate %
8th April 2021	90.70	86.70	(0.64)
9th April 2020	76.50	80.64	(0.44)
17th April 2019	89.68	83.45	(0.40)
17th April 2018	81.23	78.94	(0.32)

The total expenses recognised for the year arising from share-based payments are as follows:

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Equity settled share-based payment expense	1,328	1,444	42	42

17. Employee Benefits (continued)

Castor International Savings Scheme

During 2021 and 2020 the VINCI PLC Group offered to its employees the Castor International Savings Scheme which enables employees through a trust fund, to invest in the equity capital of the parent company VINCI S.A.

The principal characteristics of the plan are as follows:

- acquisition of VINCI S.A. shares purchased on the market on the subscription dates, without discount;
- seven successive subscription periods between April and October 2021 for the 2021 scheme;
- seven successive subscription periods between April and October 2020 for the 2020 scheme;
- financial contribution from the employer company in the form of matching shares (subject to a maximum) provided that:
- investing employees have continuing employment for a period of 3 years after acquisition;
- there is no disposal of shares for 3 years after the subscription date.

2021 Scheme		Group		Company	
Share purchase date	Share price (£)	No. of employees	No. of shares	No. of employees	No. of shares
17th May 2021	82.29	847	6,605	52	434
15th June 2021	84.63	693	2,632	42	158
15th July 2021	76.76	658	2,065	43	176
16th August 2021	79.30	650	2,017	43	157
15th September 2021	76.20	659	2,384	38	121
15th October 2021	77.34	618	1,834	36	126
15th November 2021	82.14	408	1,802	27	192

2020 Scheme		Group		Company	
Share purchase date	Share price (£)	No. of employees	No. of shares	No. of employees	No. of shares
15th May 2020	66.06	731	6,548	56	596
15th June 2020	75.75	612	2,720	43	251
15th July 2020	75.31	597	2,109	38	152
14th August 2020	74.00	594	2,195	39	163
15th September 2020	73.20	580	1,798	37	125
15th October 2020	66.38	557	2,031	33	114
16th November 2020	79.11	359	1,709	22	145

17. Employee Benefits (continued)

The charge for the year arising from the Castor International Savings Scheme has been calculated based on estimating the number of shares in the scheme which will ultimately vest. The calculation includes an estimate of the number of shares that will fail to vest due to scheme leavers. This estimate is based on actual employee data from 2012 to 2020.

The total amounts recognised are as follows:

	Group		Company	
	£000	£000	£000	£000
	2021	2020	2021	2020
Castor payment expense	1,033	1,136	66	72
Castor liability at year end	2,539	2,286	94	141

In the balance sheet employee benefits are made up as follows

	Group		Company	
	£000	£000	£000	£000
	2021	2020	2021	2020
Pensions	36,264	37,833	36,264	37,833
Share based payments	1,841	2,090	1,839	2,088
	38,105	39,923	38,103	39,921

18. **Reconciliation of movement in capital and reserves**

	Share capital	Restated capital redemption reserve	Translation reserve	(Accumulated losses)/retained earnings	Total equity
Group	£000	£000	£000	£000	£000
At 1st January 2020	270,456	300	(1,492)	(178,670)	90,594
Transactions with owners of the Company:					
Profit for the year	-	-	-	15,050	15,050
Other comprehensive income	-	-	409	12,375	12,784
Dividends paid	-	-	-	(41,500)	(41,500)
Restated share capital & redemption reserve reductions	(190,456)	(300)	-	190,756	-
Restated at 31st December 2020	80,000	-	(1,083)	(1,989)	76,928
At 1st January 2021	80,000	-	(1,083)	(1,989)	76,928
Transactions with owners of the Company:					
Profit for the year	-	-	-	26,228	26,228
Other comprehensive income	-	-	11	526	537
Dividends paid	-	-	-	(15,050)	(15,050)
Decrease in share capital	-	-	-	-	-
At 31st December 2021	80,000	-	(1,072)	9,715	88,643

18. Reconciliation of movement in capital and reserves (continued)

Company	Share capital £000	Restated capital redemption reserve £000	Restated other reserve £000	Retained earnings £000	Total equity £000
At 1st January 2020	270,456	300	10,657	(202,318)	79,095
Transactions with owners of the Company:					
Profit for the year	-	-	-	53,781	53,781
Dividends paid	-	-	-	(41,500)	(41,500)
Other comprehensive income	-	-	-	14,190	14,190
Equity settled share-based payment transactions	-	-	-	(2,466)	(2,466)
Deferred tax on equity settled share-based payments recognised directly in equity	-	-	-	(22)	(22)
Tax on actuarial gains and losses		-	-	(1,815)	(1,815)
Restated share capital & reserve reductions	(190,456)	(300)	(10,657)	201,413	-
Restated at 31st December 2020	80,000	-	-	21,263	101,263
At 1st January 2021	80,000	-	-	21,263	101,263
Transactions with owners of the Company:					
Profit for the year	-	-	-	16,005	16,005
Dividends paid	-	-	-	(15,050)	(15,050)
Other comprehensive income	-	-	-	526	526
Equity settled share-based payment transactions	-	-	-	(2,253)	(2,253)
Deferred tax on equity settled share-based payments recognised directly in equity	-	-	-	-	-
Tax on actuarial gains and losses	-	-	-	-	-
Decrease in share capital	-	-	-	-	-
At 31st December 2021	80,000	-	-	20,491	100,491

Share capital

VINCI PLC is a public company limited by shares.

At 31st December 2021, the authorised, allotted and called up share capital comprised 80,000,000 £1 ordinary shares (2020: 80,000,000).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Capital redemption reserve
The capital redemption reserve reflected the value of shares redeemed by the Company from distributable profit and was cancelled in 2020 resulting in the above restatement.

18. **Reconciliation of movement in capital and reserves (continued)**

Other reserves

The other reserve consisted of a non-distributable reserve of £10,657,000 (2020: £10,657,000) that was created as a result of an inter group reorganisation to create a more efficient capital structure. This reserve was at company level only. It was capitalised in 2020 resulting in the above restatement

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

19. **Financial instruments**

Exposure to credit, liquidity and market risks arises in the normal course of the Group's and Company's business. The risks are regularly considered and the impact and how to mitigate them assessed.

Fair values of financial instruments

Trade receivables

The fair value of trade receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Trade payables

The fair value of trade payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then this is classified as a receivable.

19. Financial instruments (continued)

Fair values

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the balance sheet are as follows:

	Carrying amount and fair value 2021		Carrying amount and fair value 2020	
	Group	Company	Group	Company
	£000	£000	£000	£000
Cash and cash equivalents	314,603	293,482	263,636	262,797
Trade receivables (note 14)	73,685	126	52,151	96
Total financial assets	388,288	293,608	315,787	262,893
Bank overdraft and equivalents	-	(365,426)	-	(321,475)
Trade and other payables (note 15)	(61,360)	-	(42,747)	-
Borrowings (note 15a)	(28,500)	-	(25,500)	-
Lease liabilities	(21,955)	(3,176)	(19,644)	(4,110)
Total financial liabilities	(111,815)	(368,602)	(87,891)	(325,585)
Net financial instruments	276,473	(74,994)	227,896	(62,692)

19. Financial Instruments (continued)

Movements in liabilities arising from financing movements:

	1st January 2021	Cashflow	Non cash IFRS16	Change of Scope IFRS16	31st December 2021
Group	£000	£000	£000	£000	£000
Borrowings due within one year	(2,000)	(3,000)	-	-	(5,000)
Borrowings due after one year	(23,500)	-	-	-	(23,500)
Lease liabilities due within one year	(8,233)	9,959	(10,450)	-	(8,724)
Lease liabilities due after one year	(11,411)	-	(1,820)	-	(13,231)
	(45,144)	6,959	(12,270)	-	(50,455)

	1st January 2020	Cashflow	Non cash IFRS16	Change of Scope IFRS16	31st December 2020
Group	£000	£000	£000	£000	£000
Borrowings due within one year	(10,500)	8,500	-	-	(2,000)
Borrowings due after one year	(6,500)	(17,000)	-	-	(23,500)
Lease liabilities due within one year	(9,627)	3,214	(1,820)	-	(8,233)
Lease liabilities due after one year	(14,436)	7,537	(4,512)	-	(11,411)
	(41,063)	2,251	(6,332)	-	(45,144)

	1st January 2021	Cashflow	Non cash IFRS16	Change of Scope IFRS16	31st December 2021
Company	£000	£000	£000	£000	£000
Overdraft	(58,678)	(13,266)	-	-	(71,944)
Other borrowings due within one year	-	-	-	-	-
Other borrowings due after one year	-	-	-	-	-
Lease liabilities due within one year	(957)	1,090	(1,144)	-	(1,011)
Lease liabilities due after one year	(3,153)	-	988	-	(2,165)
	(62,788)	(12,176)	(156)	-	(75,120)

19. Financial Instruments (continued)

	1st January 2020	Cashflow	Non cash IFRS16	Change of Scope IFRS16	31st December 2020
Company	£000	£000	£000	£000	£000
Overdraft	(126,009)	67,331	-	-	(58,678)
Other borrowings due within one year	-	-	-	-	-
Other borrowings due after one year	-	-	-	-	-
Lease liabilities due within one year	(916)	(41)	-	-	(957)
Lease liabilities due after one year	(4,083)	930	-	-	(3,153)
	(131,008)	68,220	-	-	(62,788)

Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Group or Company if a customer or company party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's or Company's receivables from customers and cash held at financial institutions

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date for the Group was £378,991,000 (2020: £315,787,000) and for the Company was £293,608,000 (2020: £(262,893,000)) being the total of the carrying amount of financial assets shown in the table above.

The Group reduces its credit risk by having a large and unrelated customer base and by focusing on known clients and repeat business. The Group has strict credit control procedures for accepting new customers, setting credit limits and dealing with overdue accounts. The Group does not have a history of credit losses and does not currently expect any significant losses from customer defaults. The Group has no external debt facilities and participates in the Group's centralised treasury management system.

An impairment loss provision against a trade receivable is created where it is anticipated that its value is not fully recoverable.

Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.
The Group's and Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as they fall due.
The financial liabilities for the Group and the Company at 31st December 2021 comprise bank overdrafts/loans, related party loans and trade and other payables.
Bank overdrafts are utilised by Group companies to meet their local cash requirements. They are repayable on demand.
Trade and other payables shown as current liabilities are expected to mature within six months of the balance sheet date with the exception of retentions which are aged in Note 15.

Non-current liabilities are expected to mature between one and five years after the balance sheet date.

19. **Financial Instruments** (continued)

Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's or Company's income or the value of its holdings of financial instruments.

Interest rate risk

The Group and Company adopt a policy of ensuring that its exposure to changes in interest rates on bank loans is on a fixed rate basis. Interest rate swaps are entered into to achieve an appropriate mix of fixed and floating rate exposure within the Group's and Company's policy. At 31st December 2021 the Group had no interest rate swaps with a notional contract amount (2020: £nil).

The Group and Company classify interest rate swaps as cash flow hedges and states them at fair value. The net fair value of swaps at 31st December 2021 was £nil (2020: £nil).

Foreign currency risk

The majority of the Group's and Company's operations are within the UK and so exposure to foreign currency risk is reduced. Where necessary, to minimise currency exposures on sale and purchase transactions, the Group and Company enter into forward foreign exchange contracts. There were no significant outstanding forward foreign exchange contracts at the balance sheet date.

20. **Capital commitments**

The Group and Company had no capital commitments at either 31st December 2021 or 31st December 2020.

21. **Leases**

The Group has elected not to recognise a lease liability for short-term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis and amounted to £49,757,000 in 2021 (2020: £40,744,000).

At 31st December 2021 the Company was committed to short-term leases and the total commitment at that date was £1,269,000 (2020: £520,000).

22. **Contingent liabilities**

The Company and certain Group undertakings have entered into guarantees relating to bonds, in the normal course of business, from which no losses are expected to arise.

Joint banking facilities available to the Company, its parent undertaking and certain fellow subsidiary undertakings are secured by cross guarantee. At 31st December 2021, the net Group borrowings were £nil (2020: £nil).

23. **Related party transactions**

Group

Identity of related parties

The Group has a related party relationship with its subsidiaries (see pages 96 to 98) associates and joint ventures (see notes 11 and 12 and 15 (a)).

Associates and joint ventures

During the year ended 31st December 2021, associates and joint ventures purchased services from the Group in the amount of £20.1m (2020: £7.5m) and as at 31st December 2020 associates and joint ventures owed the Group £nil (2020: £nil). Transactions with associates and joint ventures are priced on an arm's length basis and are mainly for the provision of construction and facilities management services.

Transactions with key management personnel

There are no additional related party transactions with exception of the directors' remuneration (see note 6).

Other related party transactions

Companies under common control

During the year the Group purchased services from fellow subsidiaries of the ultimate parent company, VINCI for £34.5m (2020: £14.4m) and fellow subsidiaries purchased services from the Group in the amount of £9.1m (2020: £8.1m). Transactions with these companies are priced on an arm's length basis and are mainly for the provision of construction and central services such as fleet management. The immediate Parent Company, VINCI Construction charged the Group £5.8m (2020: £4.3m) in royalties and service fees.

At 31st December 2021 fellow subsidiaries owed the Group £9.6m (2020: £3.8m) and the Group owed £1.4m (2020: £4.5m) to fellow subsidiaries.

The Group and company have a cash deposit of £269.6m (2020: £224.5m) with the ultimate parent company, VINCI.

Company

Identity of related parties

The company has a related party relationship with its subsidiaries and its parent companies. During the year ended 31st December 2021, the company recharged £20.9m (2020: £17.2m) in management fees and expenses to its subsidiaries.

The company also paid £0.5m (2020: £0.5m) in services purchased from subsidiaries and £5.8m (2020: £4.3m) in royalties and service fees paid to its parent company.

At 31st December 2021, the company was owed £36.1m (2020: £36.4m) by subsidiaries and related parties while subsidiaries and related parties were owed £20.8m (2020: £20.8m).

24. **Post Balance Sheet Events**

No matters have arisen since the year end that require disclosure in the financial statements.

25. **Ultimate parent undertaking**

The company is a subsidiary undertaking of VINCI Construction Holding Limited (formerly Sogea Holdings UK Limited), incorporated in the United Kingdom. At 31st December 2021, the ultimate parent undertaking was VINCI, a company incorporated in France. This is the parent undertaking of VINCI Construction S.A.S, the holding company of the Construction division, the smallest group in which the company is consolidated. VINCI Construction S.A.S is incorporated in France.

The registered address for the immediate parent company VINCI Construction Holding Limited (formerly Sogea Holdings UK Limited), is Astral House, Imperial Way, Watford, Hertfordshire England WD24 4WW.

The largest group in which the results of the company are consolidated is that headed by VINCI.

Copies of the financial statements of the above Companies can be obtained from the Company Secretary, VINCI, 1973 boulevard de la Défense – 92000 Nanterre, Cedex, France.

Subsidiary undertakings, joint ventures and jointly controlled operations
at 31st December 2021

A list of investments in subsidiaries, joint ventures and jointly controlled operations is given below. Except where otherwise shown all subsidiaries, joint ventures and jointly controlled operations are incorporated in Great Britain. All holdings are of ordinary shares and, except where shown, all subsidiary undertakings are 100% owned and joint ventures and jointly controlled operations are 50% owned.

The registered office address for all undertakings in the United Kingdom, except where detailed below is Astral House, Imperial Way, Watford Hertfordshire WD24 4WW

Construction
VINCI Construction UK Limited
*Taylor Woodrow Construction
Crispin & Borst Limited
Weaver Limited
*Genflo Technology Limited
*VINCI Technology Centre UK Limited
*Powertest Limited
*Faceo FM UK Limited
VINCI Facilities Partnerships Limited
Engineering and Support Services
Rosser & Russell Maintenance Limited
Manufacturing
Conren Limited
International
*Taylor Woodrow International Limited
(registered office address: Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW)
*Taylor Woodrow International Qatar LLC
(registered office address : PO Box 201896, Doha, Qatar)
*Taylor Woodrow International Construction LLC
Taylor woodrow international Office #10, 12th Floor,Prestige Tower-17,Near Capital Mall,79th Street,Mohammed Bin Zayed City,Abu Dhabi, UAEP.O.Box 95187
VINCI Construction UK (Saudi Arabia) Limited
(registered office address: Sakura Building, Al Madinah Road, Al Salama District
4th Floor, Office No. 405
Investments
VINCI UK Developments Limited
Group Administration and Services
VINCI Fleet Services Limited
VINCI Property Limited
VINCI Insurance Services Limited

Joint ventures
Construction
*Vinci Environment UK Limited
*John Jones (Excavation) Limited

Investments
The following companies registered office addresses are at Park Point, 17 High Street, Longbridge, Birmingham, B31 2UQ:

*VSM Estates Limited
*VSM Estates (Uxbridge) Limited
*VSM (NCGM) Limited
*VSM Estates (Ashchurch) Limited

Construction
*The Balfour Beatty VINCI Joint Venture
*The Balfour Beatty VINCI Systra Joint Venture
*The Costain VINCI Joint Venture
*The BBMV Joint Venture
*The Hochtief Vinci Joint Venture
*The Taylor Woodrow Construction BAM Joint Venture
*The VCUK BAM Joint Venture
*The A6 Clapham Bypass Joint Venture
*The Integrated Health Projects Joint Venture
*The VINCI Joint Venture (participation between 0% and 100% on projects)
*The Spiecapag VCUK Joint Venture
*The EVT Grain Joint Venture
*The Vinci Energies JV

Dormant Companies
Norwest Holst Construction Limited
Storepoint Limited
*Taylor Woodrow Civil Engineering Limited
*Taylor Woodrow Construction Southern Limited
*Taylor Woodrow Management Limited
*Taywood Engineering Limited
*Taylor Woodrow International Qatar LLC (incorporated in Qatar)
*Taymin (private) Limited (incorporated in Zimbabwe)
VINCI Construction Limited
VINCI Group Limited
*VINCI Partnerships Limited

*100% of the group's interest is held by a subsidiary undertaking