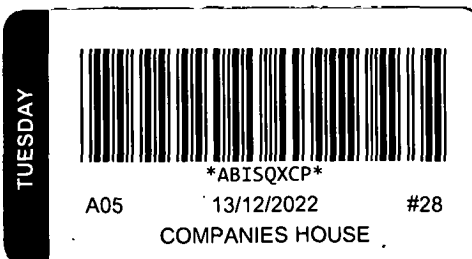


Registration number: 02100338

# Kier National Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2022



## **Kier National Limited**

### **Contents**

	<b>Page(s)</b>
Company Information	1
Strategic Report	2 to 4
Directors' Report	5 to 6
Independent Auditors' Report	7 to 9
Income Statement	10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14 to 22

## **Kier National Limited**

### **Company Information**

**Directors** Mark Pengelly  
Nigel Quelch  
Basil Mendonca

**Company secretary** Jaime Tham

**Registered office** 2nd Floor  
Optimum House  
Clippers Quay  
Salford  
M50 3XP

**Independent Auditors** PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

## **Kier National Limited**

### **Strategic Report for the Year Ended 30 June 2022**

The directors present their strategic report for Kier National Limited (the "Company") for the year ended 30 June 2022.

#### **Fair review of the business**

The Company is a member of the Kier Group plc ("Kier") group of companies (the "Kier Group" and the "Group").

The Company is a holding company for Kier Infrastructure and overseas businesses. The principal activities of these businesses include large-scale civil engineering projects in the UK, including design & project management services, and overseas construction services. As a non-trading holding company the directors do not use any specific KPIs to measure the performance of the Company.

The Company's result before tax was £nil (2021: £nil). Net liabilities are £1,335,000 (2021: £1,851,000).

The Company is expected to continue as a non-trading holding company within the Kier Group. The directors have received a letter of support from the directors of Kier Group plc, the Company's ultimate parent company, pledging support to allow the Company to meet its obligations.

#### **Corporate responsibility**

Please see the Environmental, Social and Governance report 'Building for a sustainable world' in the Kier Group plc 2022 Annual Report (pages 42 to 65 inclusive), which is available at [www.kier.co.uk](http://www.kier.co.uk), for details of the Group's corporate responsibility activities. As a member of the Group, the Company has participated in these activities.

#### **Stakeholders**

The Directors consider that during the year, they have acted to promote the long-term success of the Company, that has generated value for shareholders and contributed to the wider society while considering the interests of a range of stakeholders as set out in section 172(1) (a) to (f) of the Companies Act 2006.

Employees, customers, shareholders, supply chain partners, banks, lenders, sureties and insurers, pension trustees, joint venture partners and the UK government are all key stakeholders for the Group. As part of the decision-making process, Kier looks at how it will potentially impact its stakeholders. Engagement with stakeholders is seen as key to the delivery of Kier's purpose and strategy and therefore its long-term sustainable success. Read more on our engagement with key stakeholders in the Kier Group plc 2022 Annual Report on pages 32 to 35.

#### **Principal risks and uncertainties**

As the holding company of the Kier Infrastructure and Overseas group, the principal risks and uncertainties of the Company, including financial risk management, are consistent with the principal risks of Kier Infrastructure and Overseas Limited and are not managed separately.

Accordingly, the principal risks and uncertainties of the Kier Infrastructure and Overseas Group, which include those of the Company, are disclosed on pages 3 to 8 of Kier Infrastructure and Overseas Limited's financial statements for the year ended 30 June 2022.

## **Kier National Limited**

### **Strategic Report for the Year Ended 30 June 2022 (continued)**

#### ***Strategy***

Principal risk: Failure to deliver the Company's strategy.

The Company fails to deliver its strategy in terms of medium-term strategic objectives.

Potential impact:

- An adverse impact on the Company's net debt and liquidity;
- Failure to secure positions on national and regional frameworks; and
- Failure to meet stakeholders' expectations may lead to a decline in confidence in the Company.

Mitigating actions:

- Delivery of the balance sheet strategy;
- Delivery of our Performance Excellence culture;
- Continued focus on cash management; and
- Effective communication with stakeholders.

#### ***Cyber, IT security and data protection***

Principal risk: The Company is exposed to cyber, IT security or data protection breaches.

Failure to keep up to date with modern attack landscape as well as protecting infrastructure from current conventional cyber/loss of data risks could cause outages, heavy reputational damage or financial fines.

Potential impact:

- Operational impact - e.g. delivery of projects, key systems outage, failure to win work, loss of confidential and/or other data;
- Financial impact - regulatory fines/prosecutions; and
- Reputational/brand damage.

Mitigating actions:

- Mandatory training and awareness for all staff;
- Vulnerabilities, access and incident management;
- ISO 27001 and cyber essentials accreditation;
- Information security cyber business continuity plan, system alerts, patching/updates and monitoring;
- Data loss prevention tools;
- Partner/suppliers follow Kier Group minimum standards re cyber, security and data; and
- Investment in IT infrastructure.

#### ***Climate change***

Principal risk: Failure to identify and effectively manage climate change risks and opportunities.

The Company's operations are subject to physical and transition climate change risks. Whilst some climate resilience measures offer opportunities to innovate and expand/enhance capabilities.

Potential impact:

- Failure to meet client and investor expectations or regulatory requirements;
- Loss of opportunity to contribute to UK climate action policy and direction;
- Reputational damage; and
- Failure to prepare/plan for physical and financial impacts of more extreme and frequent weather conditions affecting operations and supply chain.

## Kier National Limited

### Strategic Report for the Year Ended 30 June 2022 (continued)

#### Mitigating actions:

- Implementing and delivering against the Kier Group's sustainability framework, 'Building for a Sustainable World.' With a focus on reviewing the next three years of the framework, particularly:
- Implementing each business stream's pathway to Net Zero Carbon. To ensure delivery of the Kier Group's overall pathway to Net Zero Carbon in line with Science-Based Targets
- Delivery against short, medium and long-term Zero Avoidable Waste Targets
- Implementation of our Sustainable Procurement strategy
- Maintain the Sustainability Leadership Forum ('SLF'); chaired by the Kier Group's Chief Executive and supported by our business stream SLFs that are led by a managing director or commercial director;
- Maintain the climate risk and opportunities register and net zero management system, to align with TCFD reporting and managing the financial risk of climate change;
- Embrace modern methods of construction and product innovation to deliver low-carbon solutions for climate resilience; and
- Work with our supply chain to help deliver our strategic objectives against waste, packaging, carbon and innovation.

#### *Macroeconomic*

Principal risk: Changes in macroeconomic conditions negatively impact on the Company, its workforce and its clients.

Examples may include political instability, rises in interest rates, energy prices and inflation/cost of living.

#### Potential impact:

- Reduced revenue or margins;
- Project affordability;
- Availability of labour and materials; and
- Increased supply chain insolvency risk.

#### Mitigating actions:


- Various market insight and intelligence relating to pricing and lead times;
- Kier risk management framework;
- Supply chain management;
- Kier Operating Framework and Performance Excellence processes;
- Kier Commercial Standards; and
- Use of financial derivative instruments to hedge exposure to fluctuations in interest and exchange rates.

#### *Emerging risks*

The Company has identified the following as principal, emerging risks and opportunities:

- Global Recession - stagflation, energy prices, cost of living and interest rates are all contributing factors to what could pose a global recession risk.
- Climate change - opportunities arising through ESG and remedial works in relation to energy efficiency (for example electric charging points), modern methods of construction and other opportunities regarding construction.

Approved by the Board on .....5th December 2022..... and signed on its behalf by:

  
.....  
Mark Pengelly  
Director

## **Kier National Limited**

### **Directors' Report for the Year Ended 30 June 2022**

The directors of Kier National Limited (the "Company") present their report and the audited financial statements for the year ended 30 June 2022.

#### **Principal activity**

The principal activity of the Company is the holding of subsidiary undertakings engaged in civil engineering and building contracts, including the provision of design and project management services.

#### **Directors of the company**

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

Mark Pengelly

Nigel Quelch

Basil Mendonca (appointed 12 August 2021)

#### **Dividends**

No dividend was paid in the year and the directors do not recommend a final dividend in respect of the year.

#### **Engagement with suppliers, customers and others**

Information on the Group's engagement with suppliers, customers and others during the financial year can be found on pages 32 to 35, 65 and 90 of the 2022 Annual Report of Kier Group plc (available at [www.kier.co.uk](http://www.kier.co.uk)).

#### **Future developments**

The Company will continue to hold investments in its trading subsidiaries.

#### **Branches outside the United Kingdom**

The Company has a number of overseas branches as listed below (indirectly owned):

- a) Kier Infrastructure and Overseas Limited - Hong Kong Branch
- b) Kier Infrastructure and Overseas Limited - Jamaica Branch
- c) Kier Infrastructure and Overseas Limited - Trinidad Branch
- d) Kier International Limited - India Branch
- e) Kier International Limited - Jamaica Branch

#### **Directors' liability insurance**

The articles of association of the Company entitle the directors of the Company, to the extent permitted by the Companies Act 2006 and other applicable legislation, to be indemnified out of the assets of the Company in the event that they suffer any expenses in connection with certain proceedings relating to the execution of their duties as directors of the Company.

In addition, Kier maintains insurance for the directors and officers of companies within the Kier Group to cover certain losses or liabilities to which they may be exposed due to their office.

#### **Disclosure of information to the auditors**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## Kier National Limited

### Directors' Report for the Year Ended 30 June 2022 (continued)

#### Reappointment of independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

#### Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Kier Group plc. The directors have received confirmation that Kier Group plc intends to provide continuous financial support to the Company for a period of not less than one year from the date of signing of these financial statements.

#### Statement of directors' responsibilities

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, 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 Company will continue in business.

The directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

5th December 2022

Approved by the Board on ..... and signed on its behalf by:



.....  
Mark Pengelly  
Director



## **Kier National Limited**

### **Independent Auditors' Report to the Members of Kier National Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Kier National Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements for the Year Ended 30 June 2022 (the "Annual Report"), which comprise: the Statement of Financial Position as at 30 June 2022; the Income Statement, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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

##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

## **Kier National Limited**

### **Independent Auditors' Report to the Members of Kier National Limited (continued)**

#### **Reporting on other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **Responsibilities for the financial statements and the audit (continued)**

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the manipulation of financial statement line items through manual journal postings. Audit procedures performed by the engagement team included:

## Kier National Limited

### Independent Auditors' Report to the Members of Kier National Limited (continued)

- Discussions with management, internal audit and internal legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Assessment of matters reported on the Group's whistleblowing helpline and the results of management's investigation of such matters;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Reviewing the financial statement disclosures and agreeing to underlying supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

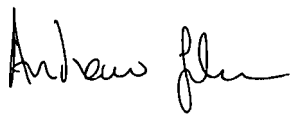
### Other required reporting

#### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Andrew Johns (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

Date: 5 December 2022

# Kier National Limited

## Income Statement for the Year Ended 30 June 2022

	Note	2022 £ 000	2021 £ 000
Revenue		-	-
Operating profit/(loss)		-	-
Profit/(loss) before taxation		-	-
Income tax credit	7	516	126
Profit for the financial year		516	126

The above results were derived from continuing operations.

The notes on pages 14 to 22 form an integral part of these financial statements.

# **Kier National Limited**

## **Statement of Comprehensive Income for the Year Ended 30 June 2022**

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Profit for the financial year	<u>516</u>	<u>126</u>
Total comprehensive income for the year	<u><u>516</u></u>	<u><u>126</u></u>

The notes on pages 14 to 22 form an integral part of these financial statements.

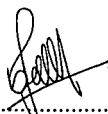
# Kier National Limited

(Registration number: 02100338)

## Statement of Financial Position as at 30 June 2022

	Note	2022 £ 000	2021 £ 000
<b>Non-current assets</b>			
Investments	8	55,534	55,534
Deferred tax assets	7	<u>524</u>	<u>524</u>
		<u>56,058</u>	<u>56,058</u>
<b>Current liabilities</b>			
Trade and other payables	9	(57,393)	(57,393)
Income tax liability		<u>-</u>	<u>(516)</u>
		<u>(57,393)</u>	<u>(57,909)</u>
<b>Net liabilities</b>		<u>(1,335)</u>	<u>(1,851)</u>
<b>Equity</b>			
Called up share capital	10	4,000	4,000
Accumulated losses		<u>(5,335)</u>	<u>(5,851)</u>
<b>Total equity</b>		<u>(1,335)</u>	<u>(1,851)</u>

The financial statements on pages 10 to 22 were approved by the Board of Directors on 5 December 2022 and signed on its behalf by:



.....  
Mark Pengelly  
Director

# Kier National Limited

## Statement of Changes in Equity for the Year Ended 30 June 2022

	Called up share capital £ 000	Accumulated losses £ 000	Total £ 000
At 1 July 2020	4,000	(5,977)	(1,977)
Profit for the financial year	-	126	126
Total comprehensive income	-	126	126
At 30 June 2021	4,000	(5,851)	(1,851)

	Called up share capital £ 000	Accumulated losses £ 000	Total £ 000
At 1 July 2021	4,000	(5,851)	(1,851)
Profit for the financial year	-	516	516
Total comprehensive income	-	516	516
At 30 June 2022	4,000	(5,335)	(1,335)

The notes on pages 14 to 22 form an integral part of these financial statements.

## **Kier National Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2022**

#### **1 General information**

The Company is a private company limited by share capital incorporated and domiciled in the United Kingdom.

The address of its registered office is:

2nd Floor  
Optimum House  
Clippers Quay  
Salford  
M50 3XP

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 ("FRS 101") Reduced Disclosure Framework and with the Companies Act 2006 as applicable to companies using FRS 101.

The financial statements have been prepared on the historical cost basis.

The presentation currency used is GB Pound Sterling and figures are quoted to the nearest £1,000.

##### **Summary of disclosure exemptions**

In these financial statements, the company has taken advantage of the disclosure exemptions available under FRS 101 in relation to share-based payment, business combinations, non-current assets held for sale, financial instruments, fair value measurements, capital management, revenue from contracts with customers, presentation of comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment property, presentation of a cash-flow statement, the effects of new standards not yet effective, impairment of assets and disclosures in respect of the compensation of key management personnel and of transactions with a management entity that provides key management personnel services to the company.

##### **Going concern**

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the Company's ultimate parent company, Kier Group plc. The directors have received a letter from the directors of Kier Group plc, pledging support to allow the Company to meet its obligations.



## **Kier National Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **Exemption from preparing group financial statements**

The financial statements contain information about Kier National Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Kier Group plc, a company incorporated in United Kingdom.

##### **Changes in accounting policy**

The following amendments to standards are effective for the financial year ended 30 June 2022 onwards:

- Amendments to IFRS 7, IFRS 4 and IFRS 16 - interest rate benchmark reform - Phase 2;
- Amendments to IFRS 4 Insurance Contracts - deferral of IFRS 9; and
- Amendments to IFRS 16 Leases - COVID-19 related rent concessions - extension of the practical expedient.

None of the above amendments to standards have had a material effect on the financial statements.

##### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

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

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

##### **Investments**

Investments in subsidiary undertakings are included at cost less any provision for impairment.

## **Kier National Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. An assessment of whether a financial asset is impaired is made at least at each reporting date.

The principal financial assets and liabilities of the Company are as follows:

##### **(a) Trade receivables and trade payables**

The Company has allocated receivables and payables due within 12 months of the balance sheet date to current with the remainder included in non-current.

A trade receivable is recognised when the Company has a right to consideration that is unconditional (subject only to the passage of time before payment is due). Trade receivables do not carry interest and are stated at their initial cost reduced by appropriate allowances for expected credit losses.

Trade payables on normal terms are not interest bearing and are stated at their nominal value. Trade payables on extended terms, particularly in respect of land purchases, are discounted and recorded at their present value.

Amounts owing under supply chain finance arrangements are included within trade payables rather than bank debt. The purpose of supply chain finance is purely to grant subcontractors and suppliers access to credit and improve their cashflows. There have been no changes to the underlying terms of the supply chain finance arrangements.

The designation in trade payables is due to the assignment of invoice rather than a novation, the Company acting as an agent with fees related to supply chain finance being borne by the supplier and the final payment date to the bank being set by the Company with interest accrued for any late payments.

##### **(b) Cash and cash equivalents**

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, including bank deposits with original maturities of three months or less, net of bank overdrafts where legal right of set off exists. Bank overdrafts are included within financial liabilities in current liabilities in the balance sheet.

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

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

##### **Impairment of investments**

The Company tests annually whether investments have suffered any impairment. The recoverable amounts of subsidiaries are determined based on value-in-use. These calculations require the use of estimates regarding future cash flows, future growth rates and an appropriate discount factor. Any reasonably possible change in the key assumptions would not result in any shortfall in the recoverable amount as compared to the carrying amount.

#### **4 Staff costs**

The Company had no employees during the current or prior year.

## Kier National Limited

### Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

#### 5 Directors' remuneration

The Directors did not receive any remuneration for their services from the Company in the year (2021: £nil), having been paid by other group undertakings. It is deemed impractical to allocate their remuneration between group undertakings for the purpose of disclosure. In addition, there were no payments to key management personnel in either the current or preceding period.

#### 6 Auditors' remuneration

The auditors' remuneration for the Company for the year was settled without a recharge by Kier Limited - a Group company.

#### 7 Income tax expense

Tax charged in the income statement

	2022 £ 000	2021 £ 000
<b>Current taxation</b>		
UK corporation tax adjustment to prior periods	(516)	398
<b>Deferred taxation</b>		
Arising from changes in tax rates and laws	-	(126)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	-	(398)
Total deferred taxation	-	(524)
Tax receipt in the income statement	(516)	(126)

The deferred tax balance at the year end has been recognised at 25% (2021: 25%) which is the enacted corporation tax rate effective from 1 April 2023.

## Kier National Limited

### Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

#### 7 Income tax expense (continued)

The tax on (loss)/profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit/(loss) before tax	-	-
Corporation tax at standard rate	-	-
(Decrease)/increase in current tax from adjustment for prior periods	(516)	398
Deferred tax credit from unrecognised temporary difference from a prior period	-	(398)
Deferred tax credit relating to changes in tax rates or laws	-	(126)
Total tax credit	(516)	(126)

# Kier National Limited

## Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

### 7 Income tax expense (continued)

#### Deferred tax

Deferred tax movement during the year:

	At 1 July 2021 £ 000	At 30 June 2022 £ 000
Tax losses carry-forwards	398	398
Adjustment in respect of prior years	126	126
Net tax assets	<u>524</u>	<u>524</u>

Deferred tax movement during the prior year:

	At 1 July 2020 £ 000	Recognised in income £ 000	At 30 June 2021 £ 000
Tax losses carry-forwards	-	398	398
Adjustment in respect of prior years	-	126	126
Net tax assets	<u>-</u>	<u>524</u>	<u>524</u>

### 8 Investments

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost or valuation</b>	
At 1 July 2020	91,099
Disposals	(13,750)
At 1 July 2021	<u>77,349</u>
At 30 June 2022	<u>77,349</u>
<b>Provision</b>	
At 1 July 2020	35,565
Eliminated on disposals	(13,750)
At 1 July 2021	<u>21,815</u>
At 30 June 2022	<u>21,815</u>
<b>Carrying amount</b>	
At 30 June 2022	<u>55,534</u>
At 30 June 2021	<u>55,534</u>

## Kier National Limited

### Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

#### 8 Investments (continued)

Details of the subsidiaries as at 30 June 2022 are as follows:

Name of subsidiary	Principal activity	Registered office <sup>1</sup>	Proportion of ownership interest and voting rights held	
			2022	2021
Kier Build Limited*	Construction	1	100%	100%
Kier Infrastructure and Overseas Limited*	Infrastructure	1	100%	100%
Kier Minerals Limited	Infrastructure	1	0%	100%
Kier Professional Services Limited	Infrastructure	1	100%	100%
Saudi Kier Construction Limited	Construction	2	100%	100%
Kier International Limited	Construction	1	100%	100%
Kier Caribbean and Industrial Limited	Dormant	1	100%	100%
Kier Jamaica Development Limited	Dormant	1	100%	100%
Kier Mining Investments Limited	Dormant	1	100%	100%
Kier Overseas (Four) Limited	Dormant	1	100%	100%
Kier Overseas (Nine) Limited	Construction	1	100%	100%
Kier Overseas (Seventeen) Limited	Construction	1	100%	100%
Kier Overseas (Twenty-Three) Limited	Construction	1	100%	100%
T H Construction Limited	Construction	1	100%	100%
Kier International (Investments) Limited	Investment holding company	1	100%	100%
Kier Construction SA	Construction	3	100%	100%
Kier Construction Limited	Construction	5	100%	100%
Kier Construction LLC (see note 2)	Construction	4	49%	49%

## Kier National Limited

### Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

#### 8 Investments (continued)

Name of subsidiary	Principal activity	Registered office <sup>1</sup>	Proportion of ownership interest and voting rights held	
			2022	2021
Kier Dubai LLC (see note 2)	Construction	6	49%	49%
Kier (Malaysia) SDN, BHD.	Dormant	7	100%	100%

\*indicates direct investment of the Company

<sup>1</sup>See list of registered offices below

<sup>2</sup>Accounted for as a subsidiary as control is achieved through an agreement between shareholders

#### Registered offices

1. 2nd Floor, Optimum House, Clippers Quay, Salford, MK50 3XP, UK
2. No. 5, 3rd Floor, Building No. 8122 Street 4A, 5323 Prince Muhammad Ibn Soud, Dist P.C. 32241 Dammam, Kingdom of Saudi Arabia
3. 151 Angle Avenue, Jean Paul II et Impasse Duverger, Turgeau, Port-au-Prince, Haiti
4. Unit 869, Al Gaith Tower, Hamdan Street, PO Box 61967, Abu Dhabi, United Arab Emirates
5. c/o Grant Thornton, Cnr Bank Street and West Independence Sq Street, Basseterre, Saint Kitts and Nevis
6. 905 and 906, 9th Floor, Thuraya Tower, Tecom, P.O. Box 24461, Dubai, United Arab Emirates
7. 5 & 7-5, Jalan 8/146, Bandar Tasik Selatan, Kuala Lumpur, 57000, Malaysia

On 1 April 2022, the shares of Kier Minerals Limited were sold from Kier Infrastructure and Overseas Limited (a subsidiary of Kier National Limited) to Kier Holdings Limited (a member of the Kier Group).

#### 9 Trade and other payables

	2022	2021
Current	£ 000	£ 000
Amounts due to related parties	57,393	57,393

Amount due to related parties are interest free and repayable on demand.

#### 10 Called up share capital

##### Allotted, called up and fully paid shares

	No.	2022 £ 000	No.	2021 £ 000
Ordinary shares of £1 each	4,000,100	4,000	4,000,100	4,000

## **Kier National Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)**

#### **11 Contingent liabilities**

The Company and other group companies are parties to cross guarantees in respect of group (Kier Group) banking arrangements.

#### **12 Parent and ultimate parent undertaking**

The Company's immediate parent is Kier Limited.

The ultimate parent is Kier Group plc.

The most senior parent entity producing publicly available financial statements is Kier Group plc. These financial statements are available upon request from Companies House and [www.kier.co.uk](http://www.kier.co.uk).

The ultimate controlling party is Kier Group plc.

#### **Relationship between entity and parents**

The parent of the largest group in which these financial statements are consolidated is Kier Group plc, incorporated in England and Wales.

The address of Kier Group plc is:

2nd Floor  
Optimum House  
Clippers Quay  
Salford  
M50 3XP

Further information on Kier Group plc can be obtained from [www.kier.co.uk](http://www.kier.co.uk).

The parent of the smallest group in which these financial statements are consolidated is Kier Group plc, incorporated in England and Wales.

The address of Kier Group plc is:

2nd Floor  
Optimum House  
Clippers Quay  
Salford  
M50 3XP

Further information on Kier Group plc can be obtained from [www.kier.co.uk](http://www.kier.co.uk).