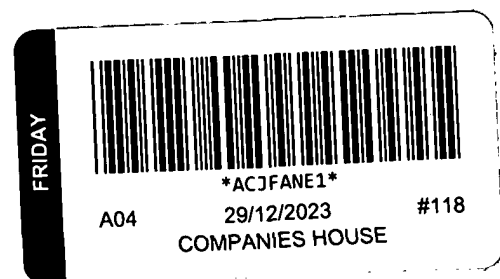


**Turner & Townsend Project Management Limited**

Annual report and financial  
statements

Registered number 02165592

30 April 2023



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## **Company information**

### **Directors**

VP Clancy  
J Dand  
P Moore  
RW Peers  
C Sargent

### **Registered office**

Low Hall  
Calverley Lane  
Horsforth  
Leeds  
LS18 4GH  
United Kingdom

### **Auditor**

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

## Strategic report

The directors present their strategic report for Turner & Townsend Project Management Limited (“the Company”) for the year ended 30 April 2023.

### Principal activities

The principal activity of the Company during the year was the delivery of project management services.

### Business model

Turner & Townsend is a global programme management and construction consultancy which supports organisations that invest in, own and operate assets.

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

Turner & Townsend Project Management Limited operates primarily in the UK. It delivers services to its local market across the real estate sector.

### Business review

For the year ended 30 April 2023 turnover increased by 26.0% to £221,188,000 (2022: £175,565,000).

Operating profit for the year was £14,722,000 (2022: £10,549,000), with an operating margin of 6.7% (2022: 6.0%).

The balance sheet remains strong as does the liquidity of the Company. At the year end the Company had net assets of £31,630,000 (2022: £30,828,000).

Average staff numbers increased in the year by 22.6% to 892 (2022: 728).

### Key performance indicators

The directors consider turnover and operating profit to be the key performance indicators for the business. These results are reported on a monthly basis.

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

### Risks and uncertainties

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

#### *Customers and markets*

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

While the Company continues to benefit from a strong balance sheet, a detailed model to evaluate our cash position is under constant review. Based on these projections and its cash balances, the directors have concluded that the Company has adequate working capital.

#### *Resourcing and retention*

The Company is at risk of not filling gaps in its management structure as they arise, a lack of capacity of existing resource to meet demand and the failure to retain valued and experienced people. The Company manages these risks through an internal recruitment system and resourcing team, a documented mobility policy and embedded learning and development and performance review processes.

## Strategic report *(continued)*

### Risks and uncertainties *(continued)*

#### *Compliance*

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

#### *Credit risks*

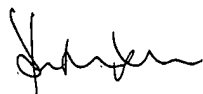
The Company manages credit risk by obtaining external credit evaluations on customers and regular monitoring of the outstanding debt. The wide customer base ensures no significant exposure to any individual customer default.

The Board closely monitors the Company's outstanding debt with continuous customer dialogue around the various markets.

### Future developments

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

Signed on behalf of the Board



**P Moore**  
*Director*

Low Hall  
Calverley Lane  
Horsforth  
Leeds  
LS18 4GH  
United Kingdom  
11 August 2023

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 2023.

The Company is incorporated, domiciled and registered in England and Wales.

### Dividends

The Company has declared and paid dividends of £11,000,000 (2022: £8,000,000) on its ordinary shares during the year.

### Directors

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

VP Clancy  
J Dand  
P Moore  
RW Peers  
CJ Sargent

### Political contributions

The Company made no political donations or incurred any political expenditure during the year.

### Statement as to disclosure of information to auditor

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

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

### Employee policy

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

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

### Environmental stewardship

The Company is committed to improving its environmental impact and developing a more sustainable workplace. The Company is improving the environmental management of its own operations, while using its expertise to enhance asset efficiency, programme performance and whole life value for its clients. Building good environmental management into standard operating procedures gives the Company strong foundations, and it continues to drive improvement through its ISO 14001 certified environmental management system.

Environmental awareness is a key element of the Company's environmental stewardship strategy. Green initiatives led by its people are reducing non-essential business travel, removing single-use plastics, and introducing water conservation measures. The Company continues to contribute to the development of environmental best practice. The Company works collaboratively with clients, suppliers and industry bodies to find effective solutions to sustainability challenges in asset development, delivery and operation.

## Directors' report *(continued)*

### Environmental stewardship *(continued)*

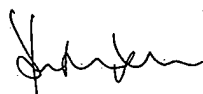
In accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the UK greenhouse gas emissions data for the year is presented in the annual report and financial statements of Turner & Townsend Holdings Limited.

### Section 172 statement – Directors' duties

The Board of Directors of Turner & Townsend Project Management Limited consider, both individually and collectively, that they have acted in good faith to promote the long-term success of the Company for the benefit of its members as a whole. The Board have regarded the stakeholders and matters set out in s.172 (a-f) of the Companies Act 2006 in the decisions taken during the year ended 30 April 2023.

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

By order of the Board



**P Moore**  
Director

Low Hall  
Calverley Lane  
Horsforth  
Leeds  
LS18 4GH

11 August 2023

## Statement of directors' responsibilities

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

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

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

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

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



## **Independent auditor's report to the members of Turner & Townsend Project Management Limited**

### **Opinion**

We have audited the financial statements of Turner & Townsend Project Management Limited ("the Company") for the year ended 30 April 2023 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs at 30 April 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

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

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

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

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

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue recognised on fixed price contracts is recorded in the wrong period and the risk that company management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as provisions. We did not identify any additional fraud risks.

We performed procedures including:

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

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

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

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

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

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

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

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

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

#### **Strategic report and directors' report**

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

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

- we have not identified material misstatements in the strategic report and the directors' report;

- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

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

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

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.


#### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



**Lynton Richmond (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
 1 Sovereign Square  
 Sovereign Street  
 Leeds  
 LS1 4DA

11 August 2023

**Profit and loss and other comprehensive income**  
*For the year ended 30 April 2023*

	<i>Notes</i>	<b>2023 £000</b>	<b>2022 £000</b>
<b>Turnover</b>	<b>2</b>	<b>221,188</b>	<b>175,565</b>
Cost of sales		(193,115)	(152,078)
<b>Gross profit</b>		<b>28,073</b>	<b>23,487</b>
Administrative expenses		(13,351)	(12,956)
Other operating income		-	18
<b>Operating profit</b>		<b>14,722</b>	<b>10,549</b>
Dividends receivable		-	224
<b>Profit before taxation</b>	<b>3</b>	<b>14,722</b>	<b>10,773</b>
Tax on profit for the financial year	<b>6</b>	<b>(2,920)</b>	<b>(1,906)</b>
<b>Profit for the financial year</b>		<b>11,802</b>	<b>8,867</b>

The results of the Company arose entirely from continuing operations.

The Company had no other comprehensive income or expenditure other than the profit for the financial year.

The accompanying notes form part of the financial statements.

## Balance sheet

At 30 April 2023

	Note	2023	2022
		£000	£000
<b>Fixed assets</b>			
Tangible assets	8	871	648
Investments	9	148	148
		<u>1,019</u>	<u>796</u>
<b>Current assets</b>			
Debtors	10	67,666	96,126
Cash at bank and in hand		32,558	16,849
		<u>100,224</u>	<u>112,975</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(69,613)</u>	<u>(82,943)</u>
<b>Net current assets</b>		<u>30,611</u>	<u>30,032</u>
<b>Total assets less current liabilities</b>		<u>31,630</u>	<u>30,828</u>
<b>Net assets</b>		<u>31,630</u>	<u>30,828</u>
<b>Capital and reserves</b>			
Called up share capital	12	400	400
Share premium account		68	68
Retained earnings		31,162	30,360
<b>Shareholders' funds</b>		<u>31,630</u>	<u>30,828</u>

The accompanying notes form part of the financial statements.

These financial statements were approved by the Board of directors on 11 August 2023 and were signed on its behalf by:

*Richard Peers*

**R Peers**  
Director

**Statement of changes in equity**  
*For the year ended 30 April 2023*

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 May 2022	400	68	30,360	30,828
Profit for the year	-	-	11,802	11,802
	<u>400</u>	<u>68</u>	<u>42,162</u>	<u>42,630</u>
<b>Transactions with owners recorded directly in equity</b>				
Dividends (note 7)	-	-	(11,000)	(11,000)
<b>At 30 April 2023</b>	<u><b>400</b></u>	<u><b>68</b></u>	<u><b>31,162</b></u>	<u><b>31,630</b></u>

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 May 2021	400	68	29,493	29,961
Profit for the year	-	-	8,867	8,867
	<u>400</u>	<u>68</u>	<u>38,360</u>	<u>38,828</u>
<b>Transactions with owners recorded directly in equity</b>				
Dividends (note 7)	-	-	(8,000)	(8,000)
<b>At 30 April 2022</b>	<u><b>400</b></u>	<u><b>68</b></u>	<u><b>30,360</b></u>	<u><b>30,828</b></u>

The accompanying notes form part of the financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

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

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

#### *Basis of preparation*

The Company’s financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”) and the Companies Act 2006.

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

The Company’s intermediate parent undertaking, Turner & Townsend Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Turner & Townsend Holdings Limited are available from Low Hall, Calverley Lane, Horsforth, Leeds, LS18 4GH.

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

- certain disclosures regarding revenue;
- a cash flow statement and related notes;
- comparative period reconciliations for share capital and tangible assets;
- disclosures in respect of transactions with subsidiaries of Turner & Townsend Holdings Limited;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of key management personnel.

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

- The disclosures required by IFRS 7 *Financial Instruments* and IFRS 13 *Fair Value Measurement* regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed on page 18.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Going concern*

In the year ended 30 April 2023 the Company generated an operating profit of £14,722,000 (2022: £10,549,000) and a profit after tax of £11,802,000 (2022: £8,867,000). Cash and cash equivalents were £32,558,000 at 30 April 2023 (2022: £16,849,000).

The Directors manage the Company alongside the other UK companies within the group, with a group borrowing facility of £120,000,000 committed to March 2027 of which £102,000,000 remains undrawn at 30 April 2023 (2022: £120,000,000 committed to March 2027, £100,000,000 undrawn).

The Board has prepared a working capital forecast using assumptions as to future trading for the going concern period of at least 12 months from the date of approval of the financial statements. Additional forecasting was performed for the subsequent period to April 2025. These forecasts include the Company's best estimate of future trading. Given the uncertainty within forecasts various sensitivity analyses have been performed to assess the impact of severe but plausible downside scenarios to future trading. Under these more cautious scenarios, material revenue reductions have been applied, as have the impacts of reduced cash collection performance as a result of worsening market conditions. These forecasts demonstrate that the Company will be able to meet its liabilities as they fall due out of its available cash balances, and, even under the severe but plausible downside cases modelled, the Company would not expect to need to draw down on its borrowing facility.

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

#### *Functional and presentational currency*

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

#### *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 profit and loss account.

#### *Joint operations*

A joint operation is an arrangement over which the Company and one or more third parties have joint control and whereby the Company has rights to the assets and obligations for the liabilities relating to the arrangement.

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



## Notes (continued)

### 1 Accounting policies (continued)

#### *Financial instruments*

##### **(i) Recognition and initial measurement**

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

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

##### **(ii) Classification and subsequent measurement**

#### *Financial assets*

##### *(a) Classification*

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

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

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

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

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

##### *(b) Subsequent measurement and gains and losses*

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

#### *Financial liabilities and equity*

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

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

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

## Notes (continued)

### 1 Accounting policies (continued)

#### *Financial liabilities and equity (continued)*

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

#### **(iii) Impairment**

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

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

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

#### *Write-offs*

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

#### *Fixed assets and depreciation*

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation is charged using the following estimated useful lives:

- fixtures, fittings and equipment - 4 years

#### *Impairment excluding deferred tax assets*

#### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

#### *Employee benefits*

#### *Defined contribution plans*

The primary pension scheme participated in by the Company is a defined contribution scheme. Obligations for contributions to this pension plan are recognised as an expense in the profit and loss account as incurred.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Provisions*

A provision is recognised in the balance sheet when the Company 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.

#### *Dividends on shares presented within shareholders' funds*

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

#### *Taxation*

Tax is recognised in the profit and loss account 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.

#### *Turnover*

All turnover arises from professional services provided to customers during the year. Turnover is recognised as the Company satisfies its performance obligations under the contracts entered into. Performance obligations are deemed to be met over time as the customer simultaneously receives and consumes the benefits provided by the Company's performance.

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

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

Where the value of turnover recognised in accordance with this policy differs from the actual amount invoiced in accordance with the terms of the contract, the difference is included in debtors as "amounts recoverable on contracts" and in creditors as "amounts invoiced in excess of work in progress" as appropriate.

#### *Interest receivable and interest payable*

Interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Interest payable and similar charges include interest payable, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

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 profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

## Notes (continued)

### 1. Accounting policies (continued)

#### *Key sources of uncertainty and judgment*

##### *Turnover for professional services – key estimate*

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

##### *Trade and other debtors – key estimate*

The Company makes an assessment of impairment losses on trade debtors after giving consideration to a client's ability and willingness to pay invoices issued and unbilled amounts for client work. A different assessment of the recoverability of either balance may result in a different value being determined for these.

### 2 Turnover and profit before taxation

Turnover and profit before taxation is wholly attributable to the Company's principal activity and takes place predominantly in the UK.

### 3 Profit before taxation

	2023 £000	2022 £000
<i>Profit before taxation is stated after charging:</i>		
Fees payable to the Company's auditor for the audit of the Company financial statements	45	30
Loss on disposal of fixed assets	9	126
Depreciation and other amounts written off tangible assets	311	282
	<hr/>	<hr/>

## Notes (continued)

### 4 Directors' remuneration

Directors' remuneration during the year was as follows:

	Salary £	Pension contributions £	2023 Total £	2022 Total £
Directors' remuneration	370,226	8,925	379,151	365,041

A total of 5 (2022: 5) directors served the Company during the year. Of these directors, 4 (2022: 4) also held director positions in other Turner & Townsend group companies. The directors' remuneration is paid by and disclosed in the Company in which they spend the majority of their time. The remuneration of 2 (2022: 2) directors that served during the year is disclosed above whilst the remuneration of the remaining 3 (2022: 3) is disclosed in other group companies in which they spend the majority of their time.

The highest paid director received £207,514 in salary and £nil in pension contributions.

5 directors (2022: 5), including those remunerated by another group company, accrued retirement benefits under money purchases schemes.

### 5 Staff numbers and costs

The average number of persons employed by the Company during the year, analysed by category, was as follows:

	2023 No	2022 No
Professional and administrative staff	892	728

The aggregate payroll costs of these persons were as follows:

	2023 £000	2022 £000
Wages and salaries	60,184	49,998
Social security costs	6,714	5,378
Other pension costs (note 13)	2,592	2,192
	69,490	57,568

## Notes (continued)

### 6 Taxation

	2023 £000	2022 £000
<b>UK corporation tax</b>		
Current tax on income for the year	2,908	1,976
Adjustment in respect of prior years	12	(70)
	<hr/>	<hr/>
Tax on profit for the financial year	2,920	1,906
	<hr/>	<hr/>

### Taxation Reconciliation

	2023 £000	2022 £000
Profit before tax for the financial year	14,722	10,773
	<hr/>	<hr/>
Current tax at 19.5% (2022: 19.0%)	2,871	2,047
<i>Effects of:</i>		
Expenses not deductible for tax purposes	37	21
Dividends not subject to UK tax	-	(43)
Adjustment in respect of prior years	12	(70)
Other	-	(49)
	<hr/>	<hr/>
<b>Total tax charge</b>	2,920	1,906
	<hr/>	<hr/>

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

### 7 Dividends declared and paid

	2023 £000	2022 £000
Ordinary shares:		
Dividends	11,000	8,000
	<hr/>	<hr/>

## Notes (continued)

### 8 Tangible assets

	Fixtures, fittings and equipment £000
<i>Cost</i>	
At 1 May 2022	1,404
Additions	543
Disposals	(199)
<b>At 30 April 2023</b>	<b>1,748</b>
<i>Depreciation</i>	
At 1 May 2022	756
Charge for year	311
Eliminated on disposals	(190)
<b>At 30 April 2023</b>	<b>877</b>
<i>Net book value</i>	
<b>At 30 April 2023</b>	<b>871</b>
At 1 May 2022	648

### 9 Fixed asset investments

	Shares in subsidiary undertakings £000
<i>Cost</i>	
At 1 May 2022 and 30 April 2023	148

Turner & Townsend Project Management Limited owns 75% of the ordinary shares of Turner & Townsend Arabia Limited, a project management company based in the Kingdom of Saudi Arabia. The registered address for Turner & Townsend Arabia Limited is 6915 King Khalid Street, Alshamaliyah, Al Khobar, 34427, Saudi Arabia.

The Company also owns 50% of the ordinary share capital of TECHT Limited, a company incorporated in England and Wales. The registered address for TECHT Limited is Arcadis House, 34 York Way, London, England, N1 9AB.

## Notes (continued)

### 10 Debtors

	2023 £000	2022 £000
<i>Amounts due within one year</i>		
Trade debtors	25,432	21,383
Amounts recoverable on contracts	5,360	4,176
Amount owed by group companies	32,219	64,965
Other debtors and prepayments	4,655	5,602
	<u>67,666</u>	<u>96,126</u>

Current account balances with related Turner & Townsend undertakings have arisen from trading on an arm's length basis, are interest-free and repayable on demand.

### 11 Creditors: amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	11,092	6,761
Amounts invoiced in excess of work in progress	10,582	9,544
Amounts owed to group companies	8,216	38,782
Corporation tax	2,896	2,076
Other tax and social security	8,324	4,684
Accruals	28,503	21,096
	<u>69,613</u>	<u>82,943</u>

Current account balances with related Turner & Townsend undertakings have arisen from trading on an arm's length basis, are interest-free and are repayable on demand.

### 12 Called up share capital

	2023 £000	2022 £000
<i>Allotted, called up and fully paid</i>		
400,000 Ordinary shares of £1 each	400	400
	<u>400</u>	<u>400</u>



## Notes (continued)

### 13 Pension schemes

#### *Defined contribution schemes*

The primary scheme participated in by the Company is a defined contribution scheme. The pension cost for the year represents contributions payable by the Company to the schemes and amounted to £2,592,000 (2022: £2,192,000).

### 14 Contingency

The Company is party to a guarantee over the group's credit facility of £120,000,000. The net exposure at the balance sheet date was £18,000,000.

### 15 Related party disclosures

The Company has a related party relationship with its immediate and ultimate parent companies, fellow subsidiaries, members of the wider group and its directors.

Turner & Townsend Project Management Limited has adopted the exemption (note 1) from disclosing transactions with fellow wholly owned subsidiaries of Turner & Townsend Holdings Limited.

Balances due from and to Turner & Townsend group companies are disclosed in notes 10 and 11.

Turner & Townsend Project Management Limited owns 50% of the ordinary share capital of TECHT Limited. During the year the Company made sales to TECHT Limited of £nil and purchases from TECHT Limited of £nil.

At the year end the Company owed £nil to and was owed £nil by TECHT Limited.

### 16 Ultimate parent company

The immediate parent undertaking is Turner & Townsend UK Limited, a company incorporated in England and Wales.

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

The directors regard CBRE Group, Inc., a company incorporated in the United States of America, as the ultimate parent company and ultimate controlling party. Copies of its consolidated financial statements, which include this company, are available to the public and may be obtained from the registered office (2100 McKinney Ave, Suite 700, Dallas, Tx 75201, United States of America).