REGISTERED NUMBER: 00836946 (ENGLAND AND WALES)

OVERBURY PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

OVERBURY PLC

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OVERBURY PLC

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

Directors	J Baker R Banister C S Booth A Boyle P Brazier S P Crummett R S D Ewing (appointed 2 November 2020) P Knight J C Morgan A Paton N Skelding (resigned 7 October 2020) A D Wood
Company Secretary	Clare Sheridan
Head Office	77 Newman Street London W1T 3EW
Registered Office	Kent House 14–17 Market Place London W1W 8AJ
Independent Auditor	Deloitte LLP Statutory Auditor 1 New Street Square EC4A 3HQ London, United Kingdom

Principal activities
The principal activity of Overbury plc ("the Company") is the fit out and refurbishment of projects in the office, higher education and retail banking markets. We do not expect this to change in the foreseeable future.

Business review
The results for the year and key performance indicators for the Company were as follows:

	2020	2019	2018	2017	2016
	£000	£000	£000	£000	£000
Revenue	**637,778**	721,125	747,454	644,062	541,780
Operating profit	**30,517**	30,250	38,593	33,797	22,593
Operating margin	**4.8%**	4.2%	5.2%	5.2%	4.2%
Net assets	**112,291**	87,273	82,568	73,342	63,109
Cash at bank	**87,509**	61,367	70,644	61,285	75,595
Forward order book[1]	**377,639**	468,010	438,018	471,916	429,188

The Company's performance in the year demonstrated the overall resilience and high quality of the business, improving its operating margin by 60bps to 4.8% despite a reduction in revenue of 12% to £638m. Operating profit was 1% lower at £30.5m.

By sector, although the commercial office market remained the largest served by the Company, contributing 63% of revenue (2019: 82%), the proportion was significantly lower than in previous years. Work in the public sector and for local authorities increased to 28% of total revenue (2019: 7%), providing resilience through the year, with higher education and retail banking making up the remainder.

Geographically, the London region was the Company's largest market, accounting for 71% of revenue, with no significant change from the prior year (2019: 75%). Other regions accounted for 29% of revenue. There was no change in the type of work with traditional fit out work making up 94% of revenue (2019: 94%), with the balance relating to 'design and build' (2019: 19%). The proportion of revenue generated from the fit out of existing office space remained level with the prior year at 69% (2019: 69%) with the remaining 31% relating to new office fit out (2019: 31%).

Projects won and started on site in the year included: a 123,000 sq. ft of office space for the Boston Consulting Group in London; a 170,000 sq ft Category A fit out for Lexo Ltd in Peterborough; and the fit out of BT's new 284,000 sq. ft office at Three Snowhill, Birmingham which represents the city's largest letting ever in a single building. BT's first phase was started and completed in the year, with phase two on track to be handed over in the second quarter of 2021.

Projects won and delivered included: multiple projects under The Mayor's Office for Policing and Crime (MOPAC) framework totalling £41m (a further £53m of MOPAC projects have been secured for 2021). Other notable projects that remained on track in 2020 were a Category A completion of the 274,000 sq. ft HMRC Government Hub at the landmark India Building in Liverpool; and the 75,000 sq. ft

[1] The 'future order book' represents the Company's share of future revenue that will be derived from signed contracts or letters of intent.

headquarters of the Royal College of Physicians at the Paddington Village development in Liverpool. In higher education, the Company won a £5m project to fit out and refurbish a health and social care training centre at the University of Wolverhampton. Projects completed in the sector in 2020 included a teaching, hospitality and administrative space for the University of Chicago Booth School of Business at St Bartholomew's Square, London and teaching and lecture facilities at King's College London's Macadam Building.

Impact of COVID-19 on operations
The health and wellbeing of our people, our partners and the public remains the Company's overriding priority. Where safe to operate, activity across the business has continued with strict adherence to Government advice and that of the devolved administrations and public health authorities across the UK.

At the 'peak' impact of the COVID-19 lockdown measures in the second quarter of the year, 53% of sites were closed (40% by value). However, activity was restored relatively quickly, benefiting from many sites being contained within vacated buildings. In addition, the established and preferred relationships built up with our supply chain over many years enabled prompt and efficient remobilisation of teams at short notice and with immediate responsiveness.

With much of the Company's work being for clients whilst 'in occupation', empty offices and more flexible working hours have enabled the Company to implement social distancing and revised site safety operating procedures relatively easily and quickly. In many situations, the business was able to accelerate its fit out programmes.

Through the period, the Company placed a number of its employees on furlough and accessed the Government's Coronavirus Job Retention Scheme ('CJRS'). At the peak, 153 employees (22% of total employees) were furloughed across the Company. In October 2020, the Company subsequently repaid the Government in full for amounts initially received under the CJRS. There is no outstanding balance to this grant at 31 December 2020.

Future outlook
At the year end, the secured order book was £378m, a reduction of 12% on the prior year end. Of the year-end total of £387m, £355m (94%) relates to 2021 and this level of orders for the next 12 months is 8% lower than it was at the same time last year. The Company's definition of the forward order book is strict whereby only future revenue from signed contracts or letters of intent therefore the decline in the order book is due to a timing delays rather than a decline in work winning.

Financial position and liquidity
The financial position of the Company is presented in the Balance Sheet. The total shareholder's funds at 31 December 2020 were £112.3m (2019: £87.3m). The Company had net current assets of £108.9m (2019: £83.4m), including cash of £87.5m (2019: £61.4m) at 31 December 2020.

The Company is a member of the Morgan Sindall Group plc (the "Group") and participates in its banking arrangements (under which it is a cross guarantor). As at 31 December 2020 the Group had cash balances of £333m. The Group also has £180m of committed loan facilities maturing in 2023, which were entirely undrawn as at 31 December 2020.

Key performance indicators
The Company's financial key performance indicators are described in the business review above. No

other key performance indicators are deemed necessary to explain the development, performance or position of the Company.

Principal risks and uncertainties
The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to the market and economic environment, uncertainty due to the Brexit transition, health, safety and environmental performance, contractual risk (including mispricing of contracts, managing changes to contracts and contract disputes, poor project delivery and poor contract selection), and counterparty and liquidity risk. Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided in the strategic report in the Group's annual report, which does not form part of this report.

During 2020 there has been the emerging risk of COVID-19. Initially, short-term mitigation actions were put in place by management which consisted of usual measures to reduce discretionary costs and improve cash flow. Specifically, these have included salary reductions for the directors and senior management teams, accessing the CJRS, and taking advantage of permissions to defer VAT, PAYE and other tax payments.

In response to the pandemic, the Construction Leadership Council brought together companies in the industry to agree Site Operating Procedures ('SOP') which gave guidelines for operating safely during the pandemic. These procedures were aligned to guidance from public health bodies and the UK Government which enabled the industry and the Company to continue to operate construction sites safely. The overall risk and impact of the pandemic and national lockdowns on the businesses has been reduced with all construction sites fully active and productive throughout the second half the year. In recognition of this the salary reduction, CJRS grants, and tax deferrals were repaid in full during the year. There are no outstanding balance at 31 December 2020.

Financial risk management objectives and policies
The Company's operations expose it to a variety of financial risks that include credit risk, liquidity risk, interest rate risk and price risk.

Credit risk
With regard to credit risk the Company has implemented policies that require appropriate credit checks on potential customers before contracts are commenced. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers outside of the Group.

Liquidity risk
This is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company aims to manage liquidity by ensuring that it will always have sufficient resources to meet its liabilities when they fall due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Liquidity is provided through cash balances and access to the Group's committed bank loan facilities.

Interest rate risk
In respect of interest rate risk the Company has interest bearing assets. Interest bearing assets include cash balances, all of which have interest rates applied at floating market rates.

Price risk
The Company has some exposure to commodity price risk as a result of its operations. This risk is managed on a project by project basis by limited forward buying of certain commodities and by

negotiating annual purchase agreements with key suppliers. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

Section 172(1) statement Companies Act 2006
Throughout 2020, the directors have complied with the requirements of Section 172 of the Companies Act 2006, in promoting the long-term success of the Company for the benefit of all stakeholders. The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the directors' statement required under section 414CZA of The Companies Act 2006.

Engagement with stakeholders
The directors consider its shareholder, employees, customers, suppliers and local communities to be its core stakeholder groups. As part of its ongoing activities of engaging with stakeholders, the directors have undertaken the following activities in 2020:

Shareholder
Our ultimate shareholder is Morgan Sindall Group plc ("the Group"). We create value for the Group by generating strong and sustainable results that translate into dividends. We discuss our performance in monthly management meetings with the Group's executive directors and provide executive summaries for the Group Board. The directors routinely engage with the Group on topics of strategy, governance and performance and our strategic plans include information on the impact on each of our stakeholders including the community and environment.

Employees
In line with the Group's Total Commitments, protecting the health, safety and wellbeing of everyone who comes into contact with our business is our number one priority. Furthermore, we are committed to a diverse and inclusive work environment and helping our employees gain skills that support their personal ambitions and drive the business forward. Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interest and that all employees are aware of the financial and economic performance of their business units and the Company as a whole.

The Company recognises the need to ensure effective communication with employees and has developed various communication channels taking account of factors such as numbers employed and location, including an employee forum, an intranet and in-house newsletters.

During the year, the annual staff conference where the strategy and performance of the Company is communicated to the employees was cancelled due to the pandemic. The Company's use of technology meant that various meetings and communication could take place virtually to engage with employees. A staff survey with follow up feedback sessions and various local team meetings will take place in 2021.

We keep our employees informed of our financial performance through newsletters, emails and briefing sessions, and let them know of any external factors and significant events that might have an impact. As part of the Morgan Sindall Group, we offer a Savings-Related Share Option Plan ('SAYE') to encourage employees to engage with business performance and progress of the Company and the Group.

Customers
We aim to develop long-term relationships with our clients and partners. During 2020 we extended our framework offerings, benefitting clients by providing continuity of knowledge and enhancing a value add service.

Suppliers
Our suppliers and subcontractors are critical to our operations and we take a long-term collaborative approach to working with them especially throughout the pandemic. The Company's established and preferred relationships built up with its supply chain over many years enabled prompt and efficient remobilisation of teams at short notice and with immediate responsiveness when sites reopened. 97% of payments were made within 60 days in accordance with the Prompt Payment Code. 91% of all payments in the year were made within agreed terms.

Communities
We engage with communities at a site level via newsletters, public noticeboards and, where appropriate, engagement with local community groups. More broadly, we have an active social media presence and regularly respond to members of the public who may have queries about our works. We are members of a variety of industry groups including Women in Construction, UK Green Building Council, SKA Technical Committee, WELL Building Keystone Partners.

Additionally, we were again invited on the Considerate Constructors Scheme (CCS) Working Group as a result of our leadership in the sector on community engagement issues. CCS is an organisation with the express goal of improving the image of the construction industry in the eyes of the general public. We use the CCS framework to guide our approach to community engagement issues.

Further information about how we and the Group engage with stakeholders can be found in the Group's 2020 report and financial statements.

Principal decisions
We define principal decisions as those that are material to the Company and to the Group and those that are significant to our key stakeholder groups as above. As set out below, we have given examples of how the directors have considered the outcomes from our stakeholder engagement as well as the need to maintain the Company's reputation for high standards of business conduct and to act fairly between the members of the Company in some of the principle decisions taken during the year.

During the year, the Directors have reviewed and approved the Company five-year strategic plan and priorities, including the financial budget whilst considering and determining the Company's appropriate risk appetite, namely being selective over what work we seek to secure and ensuring we have the right skillsets to perform the work, whilst also ensuring alignment with the Group plans and priorities.

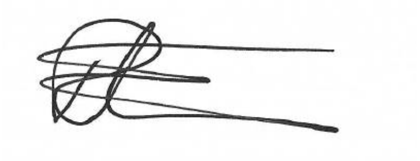
Contract selectivity was carefully considered on every tender submission. Contract terms and conditions, including payment terms, are carefully balanced against existing resource and contract commitments. We have declined opportunities that have inadequate financial covenants or access to finance. We have also declined opportunities that do not suit our core competencies.

Subcontractors were selected from an approved database which monitors quality performance, financial standing, health and safety performance, workload and resources. We have adopted an incentive scheme for preferred subcontractors; releasing retention funds to those supporting and delivering against our perfect delivery strategy. The list of preferred subcontractors is reviewed every six months with subcontractors being promoted to or demoted from the list, based on their scores.

We continued to invest in our early careers 'foundation programme' to develop succession planning, diversity and home grow resource for business growth.

For further information on how the Group Board has considered stakeholders in its decision making please see the corporate governance and directors' report in the 2020 Report and Accounts.

Approved by and on behalf of the Board



Robert Ewing
Director
30 March 2021

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and the audited financial statements for the year ended 31 December 2020. The annual report comprises the strategic report and directors' report, which together provide the information required by the Companies Act 2006. The financial statements have been prepared under United Kingdom Accounting Standards.

Going concern
The Company's business activities, together with the factors likely to affect its future development and performance, as well as the financial position of the Company, its cash flows, liquidity position and the borrowing facilities, are described in the Strategic Report on pages 2 to 7.

These financial statements have been prepared on a going concern basis which presumes that the Company has adequate resources to remain in operation and that the directors intend it to do so for at least one year from the date the financial statements are signed.

The Company continues to operate construction sites safely during the pandemic under the Site Operating Procedures ('SOP') agreed by the Construction Leadership Council and following the advice from UK Government, the devolved administrations and public health authorities. The Company has operated profitably with positive operating cash flows throughout the pandemic whilst under these restrictions. The company's is expected to continue to operate under these guidelines for the foreseeable future until the end of the pandemic.

The company's future workload is healthy with a secured order book was £378m and the Company has a strong financial position at the year end with net current assets of £108.9m (2019: £83.4m), including cash of £87.5m (2019: £61.4m) at 31 December 2020.

The Company participates in the Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2020 the Group had cash balances of £333m. The Group also has £180m of committed loan facilities maturing in 2023, which were entirely undrawn as at 31 December 2020.

Based on the above, the directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for a minimum of 12 months from the date of signing the accounts. Thus, they continue to adopt the going concern basis in preparing the financial statements. Further details can be found in the principal accounting policies in the financial statements.

Directors
The directors who served during the year and to the date of this report are shown on page 1. None of the directors had any interest in the shares of the Company during the year ended 31 December 2020.

The Company has adopted Articles of Association, the provisions of which do not require the directors to retire by rotation or to retire at the first annual general meeting after their appointment.

Directors' indemnities
The Company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Furthermore, the Group maintains liability insurance for its directors and officers and those of its directors and officers of its associated companies.

The Company has not made qualifying third-party indemnity provisions for the benefit of its directors during the year.

Dividends
No interim dividend was paid during the year (2019: £20m). The directors do not recommend the payment of a final dividend (2019: £nil).

Political contributions
The Company made no political contributions during the year (2019: nil).

Employment policies
The Company insists that a policy of equal opportunity employment is demonstrably evident at all times. Selection criteria and procedures and training opportunities are designed to ensure that all individuals are selected, treated and promoted on the basis of their merits, abilities and potential.
Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should as far as possible, be identical to that of a person who does not suffer from a disability.

Engagement with employees and other stakeholders
As part of its ongoing activities of engaging with stakeholders, the directors have undertaken a number of activities in 2020. These are detailed in the Section 172(1) in the Strategic Report on pages 5 to 6.

Environmental performance
The Company is committed to minimising its environmental impact both now and in the longer term. We balance this with the need to undertake construction activities for our clients which can have a direct and indirect impact on the environment. Where possible, we encourage our clients to consider more environmentally sustainable products with a longer life expectancy. We also seek to deliver projects in ways that will minimise their impact on the environment by re-using waste and reducing our carbon impact as well as extending the life cycle of the buildings that we construct. The Group's Total Commitment to 'improving the environment' sets the strategy for managing our environmental impact. Within this Commitment the Group focuses on climate change and caring for the natural environment by reducing our carbon footprint and re-using and recycling waste where possible. The Group's Commitment sets out clear KPIs and targets for measuring performance and driving improvement. As a subsidiary company, the Company is exempt from reporting separately under the Streamlined Energy and Carbon Reporting programme, further disclosures on the Group's performance, including details of its Green House Gas emissions is disclosed in the strategic report of the Group's annual report.

Independent auditor and disclosure of information to the independent auditor
Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Following a competitive tender process, a resolution to appoint Ernest & Young UK LLP will be proposed at the forthcoming Annual General Meeting.

Directors' responsibilities statement
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

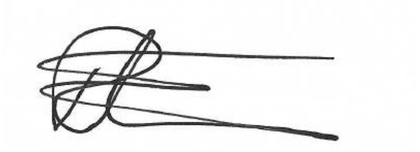
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including 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 period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved for and on behalf of the Board



Robert Ewing
Director
30 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OVERBURY PLC FOR THE YEAR ENDED 31 DECEMBER 2020

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Overbury plc (the 'company'):
- give a true and fair view of the state of the company's affairs as at 31st December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other

information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

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. This description forms part of our auditor's report.

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the Audit Committee about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Bribery Act, employee laws, carbon reduction regulations, and health & safety environment matters.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: recognition of contract revenue, margin and related receivables and liabilities, including recoverability and valuation of work in progress. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override

For construction companies, there is judgement in assessing the appropriate contract revenue and margin to recognise. There are also assumptions within revenue regarding recovery of contractual entitlement from clients. These assumptions are as a result of compensation events, variations and claims that have arisen due to change under the terms of the contract. The valuation of these can involve a significant degree of estimation and the estimated revenue may not yet have been certified or fully agreed with the customer. There are also judgements involved in the variations of within contract revenue and contract costs, and the completeness and validity of loss provisions arising from customer disputes. Given the level of judgement and potential for management bias in the estimates used, we considered there to be an inherent risk of fraud in contract revenue recognition.

We performed the following procedures to respond to the above potential risk of fraud:

- Assessed the relevant controls over revenue billing and debtor recovery from contract customers.
- Inspecting physical progress on for individual projects and identifying areas of complexity through discussion with site personnel. This was performed remotely.
- Assessed and challenged a sample of the most significant and more complex contract positions and the accounting thereon under the percentage of completion methodology. The sample selected was based on both quantitative and qualitative factors including low margin or loss-making contracts and contracts with significant balance sheet exposures, as well as significant un-agreed income.
- We focused on the significant judgements adopted by management, we assessed the forecast costs to complete, compensation events, variations within contract revenue and contract costs, and the completeness and validity of loss provisions arising from customer disputes. This assessment included:
  - Agreeing contract valuation positions to third party certificates and signed variations;
  - Where necessary, reviewing insurance correspondence or legal correspondence and expert advice;
  - Reviewing contract terms and conditions;
  - Re-performing the key calculations behind the margin applied, the profit taken and stage of completion, as well as balance sheet exposure;

  - Reviewing correspondence with customers;
  - Reviewing actual costs incurred;
  - Analysing forecast costs to complete and challenging estimates within forecasts by considering cost forecasts against contract run rates;
  - Agreeing forecast costs to complete to documentary evidence including orders signed with subcontractors and supporting calculations; and
  - Evaluating performance against tender and historical trends.
- Assessed the completeness and validity of allowances recorded based upon the liabilities that may arise from disputes with customers or rectification works required. We did this through interviewing and challenging contract managers, commercial directors and a review of correspondence with customers, solicitors and expert advice.
- Considered managements provisions across all contracts.
- Assessed the impact of the Covid-19 pandemic on individual contracts in relation to programme delivery and supply chain, as well as customers in relation to the recoverability of work in progress.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

Use of our report

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

Makhan Chahal (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
30 March 2021

OVERBURY PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £000	2019 £000
Revenue	**1**	**637,778**	721,125
Cost of sales		**(553,605)**	(636,735)
Gross profit		**84,173**	84,390
Administrative expenses		**(53,656)**	(54,140)
Operating profit	**2**	**30,517**	30,250
Interest receivable	**5**	**276**	450
Interest payable	**5**	**(224)**	(236)
Profit before tax		**30,569**	30,464
Tax	**6**	**(5,551)**	(5,759)
Profit for the financial year attributable to owners of the Company	**13**	**25,018**	24,705

Other comprehensive income	**-**	-
Total comprehensive income for the year attributable to owners of the Company	**25,018**	24,705

Continuing operations

The results for the current and previous financial years all derive from continuing operations.

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Notes	2020 £000	2019 £000
Non-current assets			
Property, plant and equipment	**7**	**7,643**	9,790
Deferred tax asset	**11**	**240**	150
		7,883	9,940
Current assets			
Contract assets	**9**	**26,431**	26,208
Trade and other receivables	**8**	**145,437**	154,631
Cash and bank balances		**87,509**	61,367
		259,377	242,206
Total assets		**267,260**	252,146
Current liabilities			
Contract liabilities	**9**	**(960)**	(2,182)
Trade and other payables	**10**	**(147,846)**	(152,074)
Current tax liabilities		**(45)**	(3,036)
Lease Liabilities	**16**	**(1,579)**	(1,486)
		(150,430)	(158,778)
Net current assets		**108,947**	83,428
Non-current liabilities			
Lease Liabilities	**16**	**(4,539)**	(6,095)
		(4,539)	(6,095)
Total liabilities		**(154,969)**	(164,873)
Net assets		**112,291**	87,273
Capital and reserves			
Share capital	**12**	**13,000**	13,000
Retained earnings	**13**	**99,291**	74,273
Total shareholder's funds		**112,291**	87,273

The financial statements of Overbury plc (company number 00836946) were approved by the Board and authorised for issue on 30 March 2021. They were signed on its behalf by:

………………………………………….. Robert Ewing, Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital (Note 12) £000	Retained earnings (Note 13) £000	Total £000
At 1 January 2019	**13,000**	**69,568**	**82,568**
Total profit and comprehensive income	-	24,705	24,705
Dividends paid	-	(20,000)	(20,000)
At 31 December 2019	**13,000**	**74,273**	**87,273**
Total profit and comprehensive income	-	25,018	25,018
Dividends paid	-	-	-
At 31 December 2020	**13,000**	**99,291**	**112,291**

General information
Overbury plc (the 'Company') is a private company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 2 to 6. The address of the registered office is given on page 1.

Basis of accounting
The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the Company has prepared its financial statements in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to capital management, presentation of comparative information in respect of certain assets, leases, presentation of a cash flow statement, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements of Morgan Sindall Group plc, which are available to the public at www.morgansindall.com.

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

These financial statements are presented in pounds sterling which is the Company's presentational and functional currency.

The directors consider that the ultimate parent undertaking and ultimate controlling party of this Company is Morgan Sindall Group plc, which is registered in England and Wales. It is the only group into which the results of the Company are consolidated. Copies of the consolidated financial statements of Morgan Sindall Group plc are publicly available from www.morgansindall.com or from its registered office Kent House, 14-17 Market Place, London W1W 8AJ.

Going concern
The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic Report. The Company is expected to continue to generate positive cash flows on its own account for at least 12 months from the date of signing the financial statements. The Company participates in the Group's centralised treasury arrangements and shares banking arrangements, including the provision of cross guarantees, with its ultimate parent Morgan Sindall Group plc and fellow subsidiaries.

The directors, having assessed the responses of the directors of Morgan Sindall Group plc to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Morgan Sindall Group plc, the Company's directors have a reasonable expectation that the Company and the Group will be able to continue in operational existence for at least 12 months from the date of signing the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Property, plant and equipment
Freehold and leasehold property, plant, machinery and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is provided in equal annual instalments at rates calculated to write off the cost of the assets over their estimated useful lives as follows:

Plant, equipment, fixtures and fittings	between three and ten years
Right of use - Leasehold buildings	the period of the lease
Right of use - Plant, equipment, fixtures and fittings	the period of the lease

Revenue
Revenue is defined as the value of goods and services rendered excluding discounts and VAT and is recognised as follows:

Construction contracts
A significant portion of the Company's revenue is derived from construction contracts. These services are provided to customers across a wide variety of sectors and the size and duration of the contracts can vary significantly from a few weeks to more than 2 years.

The majority of contracts are considered to contain only one performance obligation for the purposes of recognising revenue. Whilst the scope of works may include a number of different components, in the context of construction activities these are usually highly interrelated and produce a combined output for the customer.

Contracts are typically satisfied over time. For fixed price construction contracts progress is measured through a valuation of the works undertaken by a professional quantity surveyor, including an assessment of any elements for which a price has not yet been agreed such as changes in scope.

Variations are not included in the estimated total contract price until the customer has agreed the revised scope of work.

Where the scope has been agreed but the corresponding change in price has not yet been agreed, only the amount that is considered highly probable not to reverse in the future is included in the estimated total contract price. Where delays to the programme of works are anticipated and liquidated damages would be contractually due, the estimated total contract price is reduced accordingly. This is only mitigated by expected extensions of time or commercial resolution being achieved where it is highly probable that this will not lead to a significant reversal in the future.

In order to recognise the profit over time it is necessary to estimate the total costs of the contract. These estimates take account of any uncertainties in the cost of work packages which have not yet been let and materials which have not yet been procured, the expected cost of any acceleration of or delays to the programme or changes in the scope of works and the expected cost of any rectification works during the defects liability period.

Once the outcome of a construction contract can be estimated reliably, margin is recognised in the income statement in line with the stage of completion. Where a contract is forecast to be loss-making, the full loss is recognised immediately in the income statement.

Contract costs
Costs to obtain a contract are expensed unless they are incremental, i.e. they would not have been incurred if the contract had not been obtained, and the contract is expected to be sufficiently profitable for them to be recovered.

Costs to fulfil a contract are expensed unless they relate to an identified contract, generate or enhance resources that will be used to satisfy the obligations under the contract in future years and the contract is expected to be sufficiently profitable for them to be recovered.

Where costs are capitalised, they are amortised over the shorter of the period for which revenue and profit can be forecast with reasonable certainty and the duration of the contract except where the contract becomes loss making. If the contract becomes loss making, all capitalised costs related to that contract are immediately expensed.

Leases
Where the Company is a lessee, a right-of-use asset and lease liability are recognised at the outset of the lease. The lease liability is initially measured at the present value of the lease payments that are not paid at that date based on the Group's expectations of the likelihood of lease extension or break options being exercised. The lease liability is subsequently adjusted to reflect imputed interest, payments made to the lessor and any lease modifications. The right-of-use asset is initially measured at cost, which comprises the amount of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the Company and an estimate of any costs that are expected to be incurred at the end of the lease to dismantle or restore the asset. The right-of-use asset is subsequently depreciated in accordance with the Company's accounting policy on property, plant and equipment. The amount charged to the income statement comprises the depreciation of the right-of-use asset and the imputed interest on the lease liability.

Pensions
The Company contributes to The Morgan Sindall Retirement Benefits Plan and to other employees' personal pension arrangements, which are of a defined contribution type. For all schemes the amount charged to the statement of comprehensive income is equal to the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Income tax
The income tax expense represents the current and deferred tax charges. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity.

Current tax is the Group's expected tax liability on taxable profit for the year using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Taxable profit differs from that reported in the statement of comprehensive income because it is adjusted for items of income or expense that are assessable or deductible in other years and is adjusted for items that are never assessable or deductible.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding tax bases used in tax computations. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profits, or differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is recognised on temporary differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at the tax rates expected to apply when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted and are only offset where this is a legally enforceable right to offset current tax assets and liabilities.

Dividends
Dividends to the Company shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

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.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Critical accounting judgements and key sources of estimation uncertainty
The preparation of financial statements requires the Company's management to make judgements, assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical judgements, apart from those involving estimation estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty
The Company does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notwithstanding this, as a significant portion of the Company's activities are undertaken through long term construction contracts the Company is required to make estimates in accounting for revenue and margin. These estimates may depend upon the outcome of future events and may need to be revised as circumstances change. Further detail is provided in the accounting policies on page 19.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Analysis of revenue and profit before taxation

All revenue and profit before taxation relates to the Company's principal activity carried out in the UK. Revenue is analysed below:

	2020	2019
	£000	£000
Traditional	**600,595**	680,767
Design and build	**37,183**	40,358
Total revenue	**637,778**	721,125

In terms of type of work delivered in the year, 94% related to traditional fit out work (2019: 94%), while 6% related to 'design and build' (2019: 6%).

2. Operating profit

	2020	2019
	£000	£000
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets:		
- owned assets	**837**	485
- right of use assets	**1,462**	1,486
Government grant	**(909)**	-
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**58**	58

Through the period, the Company placed a number of its employees on furlough and accessed the Government's Coronavirus Job Retention Scheme ('CJRS'). The Company was entitled to this as it had to shut down some of the company's construction sites operations in the second quarter of 2020 and furlough employees from April to June. At the peak, 153 employees were furloughed across the Company, and the Company claimed £0.9m under the CJRS in the year, the benefit of which is reflected in the income statement within cost of sales and administrative expenses and the associated wages and salaries in Note 3.

In October 2020, the Company subsequently repaid the Government for the amounts initially received under CJRS. There is no outstanding balance to this grant at 31 December 2020.

3. Staff costs

	2020	2019
	£000	£000
Wages and salaries	**69,021**	67,288
Social security costs	**8,363**	8,232
Pension costs	**2,274**	2,091
	79,658	77,611

	No.	No.
The average monthly number of employees (including executive directors) during the year was:	**693**	686

4. Directors' remuneration

	2020	2019
	£000	£000
Directors' remuneration		
Emoluments	**4,639**	4,610
Company contributions to money purchase pension scheme	**72**	109
	4,711	4,719
Remuneration of the highest paid director		
Emoluments	**815**	923
Company contributions to money purchase pension scheme	**5**	10

	No.	No.
The number of directors who:		
- are members of money purchase pension schemes	**10**	8
- exercised options over shares in the ultimate Group	**4**	9

Total emoluments excludes amounts in respect of share options (granted and/or exercised), pension contributions, benefits under pension schemes and benefits under long term incentive plans.

Two current directors of the Company received no emoluments (2019: two) in their capacity as directors of this Company. These individuals are remunerated by another company in the Group.

5. Net interest receivable

	2020	2019
	£000	£000
Bank interest receivable	**250**	450
Other interest receivable	**26**	-
Interest receivable	**276**	450
Lease liabilities	**(200)**	(236)
Other interest payable	**(24)**	-
Interest payable	**(224)**	(236)

6. Tax

	2020	2019
	£000	£000
UK corporation tax charge on profit for the year	**5,952**	5,987
Adjustment in respect of previous years	**(311)**	(254)
Total current tax	**5,641**	5,733
Origination and reversal of timing differences	**(53)**	32
Adjustment in respect of previous years	**(37)**	(6)
Total deferred tax (note 11)	**(90)**	26
Total tax expense	**5,551**	5,759

Corporation tax is calculated at 19.0% (2019: 19.0%) of the estimable taxable profit for the year. The actual tax charge for the current and preceding year differs from the standard rate for the reasons set out in the following reconciliation:

	2020	2019
	£000	£000
Profit before tax	**30,569**	30,464
Tax on profit at corporation tax rate	**5,808**	5,788
Factors affecting the charge for the year:		
Adjustment in respect of previous years	**(348)**	(260)
Expenses not deductible for tax purposes	**47**	195
Expected forthcoming changes in tax rates upon deferred tax	**(18)**	-
Other	**62**	36
Total tax expense	**5,551**	5,759

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the UK corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). Deferred taxes at the balance sheet are measured using the enacted rates that are expected to apply to the unwind of each asset or liability. Accordingly, deferred tax balances as at 31 December 2019 were calculated at 17%, and deferred tax balances as at 31 December 2020 have been calculated at 19%. This change in deferred tax calculation rate has resulted in a reduced tax charge for the year.

In the March 2021 Budget, it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. As substantive enactment is after the balance sheet date, deferred tax balances are continuing to be measured at a rate of 19%

7. Property, plant and equipment

		Right of use assets		
	Plant, equipment, fixtures & fittings £000	**Leasehold buildings £000**	**Plant, equipment, fixtures & fittings £000**	**Total £000**
Cost				
As at 1 January 2020	6,434	8,718	499	15,651
Additions	152	-	-	152
Disposals	-	-	-	-
As at 31 December 2020	**6,586**	**8,718**	**499**	**15,803**
Depreciation				
As at 1 January 2020	(3,734)	(1,952)	(175)	(5,861)
Charge for the year	(837)	(1,355)	(107)	(2,299)
Disposals	-	-	-	-
As at 31 December 2020	**(4,571)**	**(3,307)**	**(282)**	**(8,160)**
Net Book Value				
As at 31 December 2020	**2,015**	**5,411**	**217**	**7,643**
As at 31 December 2019	2,700	6,766	324	9,790

8. Trade and other receivables

	2020 £000	2019 £000
Amounts falling due within one year		
Trade receivables	**55,381**	89,962
Amounts owed by Group undertakings	**81,320**	56,729
Prepayments	**126**	298
Other receivables	**35**	254
	136,862	147,243
Amounts falling due after more than one year		
Trade receivables	**8,575**	7,388
	145,437	154,631

Amounts owed by Group undertakings are payable on demand and are not interest bearing.

At 31 December 2020 retentions held by customers for contract work amounted to £23.8m (31 December 2019: £26.6m).

9. Construction contracts

The Company has recognised the following revenue-related contract assets and liabilities:

	2020 **£000**	2019 £000
Contract assets	**26,431**	26,208
Contract liabilities	**(960)**	(2,182)

The contract assets primarily relate to the Company's right to consideration for construction work completed but not invoiced at the balance sheet date. The contract assets are transferred to trade receivables when the amounts are certified by the customer. On most contracts certificates are issued by the customer on a monthly basis.

The Group has taken advantage of the practical expedient in paragraph 94 of IFRS 15 to immediately expense the incremental costs of obtaining contracts where the amortisation period of the assets would have been one year or less.

The contract liabilities primarily relate to the advance consideration received from customers in respect of performance obligations which have not yet been fully satisfied and for which revenue has not been recognised. All contract liabilities held at 31 December 2020 are expected to satisfy performance obligations in the next 12 months.

Significant changes in the contract assets and the contract liabilities during the period are as follows:

	2020 **£000**		2019 £000	
	Contract assets	**Contract liabilities**	Contract assets	Contract liabilities
As at 1 January	**26,208**	**(2,182)**	41,260	(1,385)
Revenue recognised:				
- performance obligations satisfied in the current period	**635,596**	**2,182**	719,740	1,385
Cash received for performance obligations not yet satisfied	**-**	**(960)**	-	(2,182)
Amounts transferred to trade receivables	**(635,373)**	**-**	(734,792)	-
As at 31 December	**26,431**	**(960)**	26,208	(2,182)

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the balance sheet date:

	2021 **£000**	**2022** **£000**	**2023** **£000**	**Total** **£000**
As at 31 December 2020	**355,275**	**22,364**	-	**377,639**

10. Trade and other payables

	2020 £000	2019 £000
Amounts falling due within one year		
Trade payables	**27,920**	28,432
Amounts owed to Group undertakings	**1**	-
Social security and other taxes	**9,152**	8,178
Other payables	**1,088**	1,187
Accruals	**109,685**	114,277
	147,846	152,074

Amounts owed by Group undertakings are payable on demand and are not interest bearing.

11. Deferred tax asset

	2020 £000	2019 £000
Balance at 1 January	**150**	176
Income statement charge (note 6)	**90**	(26)
Balance at 31 December	**240**	150

Deferred tax assets consist of the following amounts:

	2020 £000	2019 £000
Accelerated capital allowances	**232**	145
Short term timing differences	**8**	5
	240	150

12. Share capital

	2020 £000	2019 £000
Issued, authorised and fully paid		
13,000,000 ordinary shares of £1 each	**13,000**	13,000

The Company has one class of ordinary share which carries no rights to fixed income.

13. Retained earnings

	2020 £000	2019 £000
Balance as at 1 January	**74,273**	69,568
Profit for the year	**25,018**	24,705
Dividends of nil per share (2019: £1.54 per share)	**-**	(20,000)
Balance as at 31 December	**99,291**	74,273

14. Pension commitments

The Company contributes to the Morgan Sindall Retirement Benefits Plan and to other employees' personal pension arrangements. The Morgan Sindall Retirement Benefits Plan is a defined contribution post-retirement benefit plan under which the Company pays fixed contributions to a separate entity and has no legal or constructive obligation to pay further amounts. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. The pension creditor at 31 December 2020 was £409k (2019: £369k).

15. Contingent liabilities

Performance bonds have been entered into in the normal course of business. Performance bond facilities and banking facilities of the Group are supported by cross guarantees given by the Company and other participating companies in the Group.

16. Lease liabilities

The Company leases assets including property, plant and equipment. The average lease term is 4 years. There are no variable terms to any of the leases. The maturity profile for the lease liabilities at 31 December 2020 are set out as follows:

	Leasehold Property		**Other Assets**	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Maturity analysis				
Within one year	**1,470**	1,380	**109**	106
Within two to five years	**4,062**	5,070	**109**	218
After more than five years	**368**	807	**-**	-
	5,900	7,257	**218**	324

	2020			2019		
	Leasehold property £000	**Other assets £000**	**Total £000**	Leasehold property £000	Other assets £000	Total £000
As at 1 January	**7,257**	**324**	**7,581**	4,880	320	5,200
Additions	**-**	**-**	**-**	3,916	126	4,042
Terminations	**-**	-	**-**	-	(20)	(20)
Repayments	**(1,550)**	**(113)**	**(1,663)**	(1,766)	(111)	(1,877)
Interest expenses	**193**	**7**	**200**	227	9	236
As at 31 December	**5,900**	**218**	**6,118**	7,257	324	7,581

17. Related party transactions

In the ordinary course of business, the Company has traded with its parent company Morgan Sindall Group plc together with its subsidiaries. Advantage has been taken of the exemption permitted by FRS 101 not to disclose transactions with entities that are wholly owned by the Group. Balances with these entities are disclosed in notes 8 and 10 of these financial statements.

18. Subsequent events

There were no subsequent events that affected the financial statements of the Company.