

OVERBURY PLC

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

OVERBURY PLC

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OVERBURY PLC

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

Directors

J Baker
R Banister
C S Booth
A Boyle
P Brazier
S P Crummett
P Knight
J C Morgan
A Paton
N Skelding
A D Wood

Company Secretary

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Registered Office

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Independent Auditor

Deloitte LLP
Statutory Auditor
1 New Street Square
EC4A 3HQ
London, United Kingdom

OVERBURY PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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:

	2019	2018	2017	2016	2015
	£000	£000	£000	£000	£000
Revenue	721,125	747,454	644,062	541,780	544,244
Operating profit	30,250	38,593	33,797	22,593	21,373
Operating margin	4.2%	5.2%	5.2%	4.2%	3.9%
Net assets	87,273	82,568	73,342	63,109	58,967
Cash at bank	61,367	70,644	61,285	75,595	84,480
Forward order book ¹	468,010	438,018	471,916	429,188	310,294

¹ See page 26 for further information

The Company delivered another good performance in the year, achieved against the predicted backdrop of a general tightening of overall market conditions compared to the prior year. Volumes and activity held up well, with revenue of £721m down 4% on the prior year, however a more competitive tendering environment impacted profit. Operating profit of £30.3m was 22% lower compared to the record prior year performance, however the operating margin remained robust at 4.2%.

Strong project delivery and a continued focus on enhanced customer experience again underpinned performance. As with previous years, there was a second half weighting to the operating margin (H1 2019: 3.9%, H2 2019: 4.4%) and was driven by the successful completion of a number of contracts falling into the second half.

Of the total revenue for the year, 94% related to traditional fit out work (2018: 96%), while 6% related to 'design and build' (FY 2018: 4%).

In terms of the nature of work undertaken, the proportion of revenue generated from the fit out of existing office space increased to 69% (FY 2018: 58%) with the remaining 31% relating to new office fit out (FY 2018: 42%). The increase in % of revenue generated from fitting out existing office space was driven primarily by the prior year including a small number of larger new office space projects which were not repeated in 2019 and was therefore not indicative of any longer-term trend. Of the fit out of existing office space, 80% related to refurbishment 'in occupation'.

By sector, the commercial office market remains the largest, contributing 82% of revenue (2018: 85%). Higher education accounted for 10% of revenue, while retail banking, government and local authority work made up the remainder.

Geographically, the London region remained the Company's largest market, accounting for 75% of revenue, with no significant change from the prior year (FY 2018: 80%). Other regions accounted for 25% of revenue.

OVERBURY PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Projects won in the year included: Virgin Media's new 120,000 sq ft head office in Green Park, Reading; the fit out of four projects in one building at Station Road, Cambridge, including the offices of law firm Eversheds Sutherland; and the fit out of The Spine, a new 70,000 sq ft centre of clinical excellence in Liverpool for the Royal College of Physicians being built by Construction & Infrastructure. The Company also secured a place on Pagabo's new National Framework for Refit and Refurbishment Solutions for public sector projects in England and Scotland.

Significant fit out completions included the two-year, multi-phased works across more than 220,000 sq ft for King's College London; office space and specialist broadcast areas at BBC Cymru Wales' new 155,000 sq ft headquarters in Cardiff; Microsoft's new c22,000 sq ft flagship store at Oxford Circus, London; and the UK headquarters for global flooring manufacturer, Interface, in Birmingham. Design and build completions included a Dementia Connect facility for the Alzheimer's Society in Edgbaston, Birmingham. Work started in the year on a c250,000 sq ft fit out across six floors for Royal Bank of Canada at 100 Bishopsgate, London.

At the year end, the secured order book was £468m, an increase of 7% on the prior year end and an increase of 9% from the position at the half year. Of the year-end total of £468m, £407m (87%) relates to 2020 and this level of orders for the next 12 months is consistent with the same time last year. There has been no significant change to the balance of the order book in terms of geographical split and type of work. The average value of enquiries received through the year remained at around £2m.

This report was prepared at a time of uncertainty due to the global COVID-19 pandemic. Following the outbreak, there has been some disruption to the normal operations of the business. 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. Whilst this did not affect the financial performance for the year ended 31 December 2019, the extent of the overall disruption will inevitably have an impact on the business and its financial performance in the future.

Financial position and liquidity

The financial position of the Company is presented in the Balance Sheet. The total shareholder's funds at 31 December 2019 were £87.3m (2018: £82.6m). The Company had net current assets of £83.4m (2018: £80.9m), including cash of £61.4m (2018: £70.6m) at 31 December 2019.

The Company is a member of the Morgan Sindall Group (hereafter referred to as "the Group") and participates in the Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2019 the Group had cash balances of £192.7m. The Group also had £180m of committed loan facilities maturing in 2022, which were entirely undrawn as at 31 December 2019.

Future Developments

The outbreak of COVID-19 is a very significant humanitarian and economic event facing many businesses. It has become clear that this will result in a substantial economic slowdown, if not recession, in the months ahead. In this period of huge uncertainty, it is very difficult to make forward looking statements or predictions with any great confidence. However, we believe that the impact of COVID-19 will be a temporary disruption and will ultimately pass. In the meantime, we have stress tested our business model to understand what the impact would be under several shut down scenarios, as discussed in the going concern statements in this annual report.

OVERBURY PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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 the first quarter of 2020 there has been the emerging risk of COVID-19. The directors have not yet completed a detailed assessment on the long-term impact that COVID-19 will have upon the Company. However, the directors have included a COVID-19 scenario as part of its going concern assessment to ascertain the short-term impact of COVID-19 on the Group. Short term mitigation actions by management 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 Government's Coronavirus Job Retention Scheme, and taking advantage of permissions to defer VAT, PAYE and other tax payments.

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.

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STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Section 172(1) statement Companies Act 2006

Throughout 2019, 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 2019:

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. During the year we held a staff conference to highlight the strategy and performance of the Company. We also carried out a staff survey with follow up feedback sessions and various local team meetings were held throughout the year.

Customers

We aim to develop long-term relationships with our clients and partners. During 2019 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. 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 invited on to 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.

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STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 report and financial statements and the 2019 responsible business report (morgansindall.com).

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 2019 Report and Accounts.

Approved by and on behalf of the Board



N Skelding

Director

18 June 2020

OVERBURY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and the audited financial statements for the year ended 31 December 2019. 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 6.

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. As the Company is part of a larger group it participates in Morgan Sindall Group plc's (the "Group") centralised treasury arrangements, and so shares banking facilities with its parent and fellow subsidiaries. The Company is expected to continue to be in a position to obtain finance via intercompany loans to operate for the foreseeable future. In completing this analysis, the directors have considered the commitment through a letter of support and ability of the Group to continue to provide such finance.

Absent of the extraordinary circumstances brought about by the COVID-19 crisis, the directors would be satisfied that the Company and Group's forecasts and projections, taking into account reasonable possible changes in trading performance and other uncertainties, together with the Group's cash position and access to the revolving credit facility show that the Company and Group would be able to operate within its current facilities for the foreseeable future. However, given the recent COVID-19 pandemic, which has seen widespread humanitarian and economic disruption across the globe, operational disruption has heightened across the Company and wider Group.

The Group has significant financial resources including unutilised bank facilities of £180m and net cash of £192.7m at 31 December 2019. These funds, together with the Group's long-term customer contract portfolio, flexible cost base coupled with the geographically diverse operating footprint of the Group and breadth of customer industry groupings, means that the Group is well placed to manage the direct business impacts and the current global economic uncertainty arising from the COVID-19 pandemic. Net cash as at 5 May 2020 was £174m which, in addition to the Group's committed bank facilities of £180m, provides total current liquidity of £354m.

This view is underpinned by sensitivity analysis which has been carried out to model the potential financial impact on the Group of the pandemic throughout 2020. The directors have assessed the principal risks discussed on page 4, including modelling a reasonable worst-case scenario. This scenario covers the cash flow impact associated with the Group's continued good performance for the first quarter of 2020, in line with its expectations, followed by an extended lockdown for a period of 3 months, then a gradual recovery in the remainder of the year.

In addition, forecasts were stress tested assuming a more dramatic and prolonged reduction in volumes and earnings including a second 3-month period of lockdown later in 2020. Whilst the impact of COVID-19 is not yet clear, the modelling showed that the Group would remain profitable over the next 12 months, and there is considerable headroom in lending facilities and covenants which underpins the going concern assumption on which these financial statements have been prepared. As part of their analysis the Board also considered further mitigating actions at their discretion to improve the position identified by the reasonable worst-case scenario.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Having considered the reasonable worst-case scenario and further levers at the directors' discretion, the Group continues to have headroom against available facilities. Other factors considered by the Board as part of their going concern assessment included the potential impact of Brexit trade talks, alongside inherent uncertainties in cash flow forecasts. Based on the above, the directors have concluded the Company is well placed to manage its financing and other business risks satisfactorily and have a reasonable expectation that the Company will have adequate resources to continue in operation for at least 12 months from the signing date of the financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements

Directors

The directors who served during the year and to the date of this report are shown on page 1.

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

An interim dividend of £20m (2018: £22m) was paid during the year. The directors do not recommend the payment of a final dividend (2018: £nil).

Post balance sheet events

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. Measures have been taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Specifically, the business has been impacted by temporary suspension of work on construction sites, supply chain disruption, and reduction in productivity due operating within guidance set by public health bodies. The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

Political contributions

The Company made no political contributions during the year (2018: 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.

OVERBURY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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.

Employee engagement

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.

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 2019. These are detailed in the Section 172(1) statement Companies Act 2006 section above.

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.

Deloitte LLP have expressed their willingness to continue in office as auditor and pursuant to Section 487 of the Companies Act 2006, Deloitte LLP is deemed to be reappointed as auditor.

Directors' responsibilities statement

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

The directors confirm that they have complied with the above requirements in preparing the financial statements. 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 Practice (United Kingdom Accounting Standards and applicable law) including FRS 101. 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.

OVERBURY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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



N Skelding

Director

18 June 2020

OVERBURY PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OVERBURY PLC FOR THE YEAR ENDED 31 DECEMBER 2019

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 31 December 2019 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 principle 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

OVERBURY PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OVERBURY PLC FOR THE YEAR ENDED 31 DECEMBER 2019

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

We have nothing to report in respect of these matters.

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

OVERBURY PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OVERBURY PLC FOR THE YEAR ENDED 31 DECEMBER 2019

Matters on which we are required to report by exception

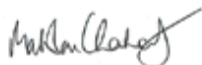
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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

19 June 2020

OVERBURY PLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £000	2018 £000
Revenue	1	721,125	747,454
Cost of sales		(636,735)	(655,144)
Gross profit		84,390	92,310
Administrative expenses		(54,140)	(53,717)
Operating profit	2	30,250	38,593
Interest receivable	5	450	395
Interest payable	5	(236)	(162)
Profit before tax		30,464	38,826
Tax	6	(5,759)	(7,600)
Profit for the financial year attributable to owners of the Company	13	24,705	31,226
Other comprehensive income		-	-
Total comprehensive income for the year attributable to owners of the Company		24,705	31,226

Continuing operations

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

OVERBURY PLC

BALANCE SHEET AS AT 31 DECEMBER 2019

	Notes	2019 £000	2018 £000
Non-current assets			
Property, plant and equipment	7	9,790	5,972
Deferred tax asset	11	150	176
		9,940	6,148
Current assets			
Contract assets	9	26,208	41,260
Trade and other receivables	8	154,631	121,211
Cash and bank balances		61,367	70,644
		242,206	233,115
Total assets		252,146	239,263
Current liabilities			
Contract liabilities	9	(2,182)	(1,385)
Trade and other payables	10	(152,074)	(145,910)
Current tax liabilities		(3,036)	(4,200)
Lease Liabilities	16	(1,486)	(720)
		(158,778)	(152,215)
Net current assets		83,428	80,900
Non-current liabilities			
Lease Liabilities	16	(6,095)	(4,480)
		(6,095)	(4,480)
Total liabilities		(164,873)	(156,695)
Net assets		87,273	82,568
Capital and reserves			
Share capital	12	13,000	13,000
Retained earnings	13	74,273	69,568
Total shareholder's funds		87,273	82,568

The financial statements of Overbury plc (company number 00836946) were approved by the Board and authorised for issue on 18 June 2020. They were signed on its behalf by:



..... N Skelding, Director

OVERBURY PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital (Note 12) £000	Retained earnings (Note 13) £000	Total £000
At 1 January 2018	13,000	60,342	73,342
Total profit and comprehensive income	-	31,226	31,226
Dividends paid	-	(22,000)	(22,000)
At 31 December 2018	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

OVERBURY PLC

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

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, 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.

OVERBURY PLC

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

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.

OVERBURY PLC

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

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.

OVERBURY PLC

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

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.

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 17.

OVERBURY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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:

	2019	2018
	£000	£000
Traditional	680,767	714,904
Design and build	40,358	32,550
Total revenue	721,125	747,454

In terms of type of work delivered in the year, 94% related to traditional fit out work (2018: 96%), while 6% related to 'design and build' (FY 2018: 4%).

2. Operating profit

	2019	2018
	£000	£000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets:		
- owned assets	485	457
- right of use assets	1,486	1,282
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	58	60

3. Staff costs

	2019	2018
	£000	£000
Wages and salaries	67,288	65,667
Social security costs	8,232	8,109
Pension costs	2,091	1,744
	77,611	75,520

	No.	No.
The average monthly number of employees (including executive directors) during the year was:	686	669

OVERBURY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. Directors' remuneration

	2019	2018
	£000	£000
Directors' remuneration		
Emoluments	4,610	4,880
Compensation for loss of office	-	111
Company contributions to money purchase pension scheme	109	83
	4,719	5,074

Remuneration of the highest paid director

Emoluments	923	901
Company contributions to money purchase pension scheme	10	10

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

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 (2018: two) in their capacity as directors of this Company. These individuals are remunerated by another company in the Group.

5. Net interest receivable

	2019	2018
	£000	£000
Bank interest receivable	450	394
Other interest receivable	-	1
Interest receivable	450	395
Lease liabilities	(236)	(162)
Interest payable	(236)	(162)

OVERBURY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6. Tax

	2019	2018
	£000	£000
UK corporation tax charge on profit for the year	5,987	7,523
Adjustment in respect of previous years	(254)	(27)
Total current tax	5,733	7,497
Origination and reversal of timing differences	32	102
Adjustment in respect of previous years	(6)	1
Total deferred tax (note 11)	26	103
Total tax expense	5,759	7,600

Corporation tax is calculated at 19.0% (2018: 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:

	2019	2018
	£000	£000
Profit before tax	30,464	38,826
Tax on profit at corporation tax rate	5,788	7,377
<i>Factors affecting the charge for the year:</i>		
Adjustment in respect of previous years	(260)	(26)
Expenses not deductible for tax purposes	195	233
Other	36	16
Total tax expense	5,759	7,600

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. All closing deferred tax balances have been calculated using a rate of 17% (2018: 17%) as they will not materially reverse before the tax rate is changed.

OVERBURY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

7. Property, plant and equipment

	Plant, equipment, fixtures and fittings	Right of use assets – Leasehold buildings	Right of use assets – Plant, equipment, fixtures and fittings	Total
	£000	£000	£000	£000
Cost				
As at 1 January 2019	5,232	4,839	405	10,476
Additions	1,766	3,916	126	5,808
Disposals	(564)	(37)	(32)	(633)
As at 31 December 2019	6,434	8,718	499	15,651
Depreciation				
As at 1 January 2019	(3,813)	(600)	(90)	(4,503)
Charge for the year	(485)	(1,389)	(97)	(1,971)
Disposals	564	37	12	613
As at 31 December 2019	(3,734)	(1,952)	(175)	(5,861)
Net Book Value				
As at 31 December 2019	2,700	6,766	324	9,790
As at 31 December 2018	1,418	4,239	315	5,972

OVERBURY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

8. Trade and other receivables

	2019	2018
	£000	£000
Amounts falling due within one year		
Trade receivables	89,962	64,032
Amounts owed by Group undertakings	56,729	53,249
Prepayments	298	423
Other receivables	254	45
	147,243	117,749
Amounts falling due after more than one year		
Trade receivables	7,388	3,462
	154,631	121,211

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

At 31 December 2019 retentions held by customers for contract work amounted to £26.6m (31 December 2018: £20.9m).

9. Construction contracts

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

	2019	2018
	£000	£000
Contract assets	26,208	41,260
Contract liabilities	(2,182)	(1,385)

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 2019 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:

OVERBURY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £000		2018 £000	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
As at 1 January	41,260	(1,385)	24,996	(695)
Revenue recognised				
- performance obligations satisfied in the current period	719,740	1,385	746,760	695
- adjustments to performance obligations satisfied in previous periods	-	(2,182)	-	(1,385)
Cash received for performance obligations not yet satisfied		-		-
Amounts transferred to trade receivables	(734,792)		(730,496)	
As at 31 December	26,208	(2,182)	41,260	(1,385)

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:

	2020 £000	2021 £000	2022 £000	Total £000
As at 31 December 2019	407,120	57,468	3,421	468,009

At the year end, the committed order book was £468m, an increase of 7% on the prior year end.

10. Trade and other payables

	2019 £000	2018 £000
Amounts falling due within one year		
Trade payables	28,432	18,489
Amounts owed to Group undertakings	-	971
Social security and other taxes	8,178	4,595
Other payables	1,187	770
Accruals	114,277	121,085
	152,074	145,910

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

11. Deferred tax asset

	2019 £000	2018 £000
Balance at 1 January	176	279
Income statement charge (note 6)	(26)	(103)
Balance at 31 December	150	176

OVERBURY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Deferred tax liabilities consist of the following amounts:

	2019	2018
	£000	£000
Accelerated capital allowances	145	185
Short term timing differences	5	(9)
	150	176

12. Share capital

	2019	2018
	£000	£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

	2019	2018
	£000	£000
Balance as at 1 January	69,568	60,342
Profit for the year	24,705	31,226
Dividends of £1.54p per share (2018: £1.69 per share)	(20,000)	(22,000)
Balance as at 31 December	74,273	69,568

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 2019 was £368,816 (2018: £287,198).

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. It is not anticipated that any liability will accrue.

16. Lease liabilities

The Company leases assets including property, plant and vehicles. The average lease term is 7 years. There are no variable terms to any of the leases. The maturity profile for the lease liabilities at 31 December 2019 are set out as follows:

OVERBURY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	Leasehold Property		Other Assets	
	2019	2018	2019	2018
	£000	£000	£000	£000
Maturity analysis				
Within one year	1,380	632	106	88
Within two to five years	5,070	3,818	218	232
After more than five years	807	430	-	-
	7,257	4,880	324	320

	2019			2018		
	Leasehold property	Other assets	Total	Leasehold property	Other assets	Total
	£000	£000	£000	£000	£000	£000
As at 1 January	4,880	320	5,200	5,997	405	6,402
Additions	3,916	126	4,042	240	-	240
Terminations	-	(20)	(20)	-	-	-
Repayments	(1,766)	(111)	(1,877)	(1,509)	(95)	(1,604)
Interest expenses	227	9	236	152	10	162
As at 31 December	7,257	324	7,581	4,880	320	5,200

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

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. Measures have been taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Specifically, the business has been impacted by temporary suspension of work on construction sites, supply chain disruption, delays in obtaining materials and reduction in productivity due operating within guidance set by the Government and public health bodies. The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.