

THOMAS TELFORD LIMITED

Company No 2556636

FINANCIAL STATEMENTS

**For the year ended
31 DECEMBER 2023**

Company registration number: 2556636

Registered office: 1 - 7 Great George Street
London
SW1P 3AA

Directors: Rachel White (Chair)
Marta Fernandez Bertos
Simon Harden
Richmond Mark Lowry
Lara Martini
Calum Mercer
Carolyn Morgan
Andrea Naylor
Gary Payne
Janet Young

Banker: HSBC Bank Plc
Commercial Centre
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Auditor: Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

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The directors present the Strategic Report of Thomas Telford Limited (“the Company”) for the year ended 31 December 2023.

The Company is limited by shares, incorporated in 1990 in the United Kingdom under the Companies Act 2006 (“the Companies Act”) in England and Wales. The registered office of the Company is 1-7 Great George Street, Westminster, London, SW1P 3AA.

The Company is a wholly owned subsidiary of the Institution of Civil Engineers. The Institution of Civil Engineers along with its subsidiaries are hereafter referred to as “the Group”.

Review of the business

The principal activities of the Company are the publication of contracts and related materials, the organisation and provision of training, the provision of consultancy services, and the provision of event and meeting facilities and ancillary services.

The Company recorded a strong financial result in 2023, delivering a post-tax profit of £11,026k (2022: £4,975k). This represents distributable net profit after tax that is available for distribution to the Company’s ultimate parent undertaking, The Institution of Civil Engineers, under the terms of a Deed of Covenant.

Following an extensive strategic review of the business the Company sold the majority of its book catalogue, all journal titles, and other related publishing assets in May 2023 to Emerald Publishing Limited. The sale did not include NEC Guides and related products, which will continue to be published by the Company. In recent years the scientific, technical, and medical publishing industry has consolidated, with a small number of well-funded large-scale companies dominating the field, leaving less room for smaller publishers to compete for shrinking library budgets. Extensive due diligence was undertaken before agreeing the sale and the Board are confident that it provided the best outcome for the Company, the Group, and other stakeholders. Although the Company has been a significant provider of information for researchers and practitioners in the fields of civil and environmental engineering and materials science, the Company was not a major publisher and therefore would not have been able to continue to compete or subsidise falling book and journal sales in the same way that a larger publisher might be able to.

Operating profit, before the gain on disposal of these publishing assets and interest receivable/payable was £5,722k (2022: £4,973k). The increase in operating profit reflects strong underlying performance across all areas of the business.

The contract, training, and consultancy business continued its organic growth. During the year we celebrated 30 years of NEC, with over 280 delegates attending the NEC Annual Conference in July, which featured a keynote presentation from the Permanent Secretary for Development (Works) from the Government of Hong Kong’s Development Bureau. The NEC Asia Pacific Conference, held in December, was attended by over 220 delegates.

In December we were pleased to agree the use by the Peruvian government of NEC4 contracts to deliver a £1.3b public building programme, representing the continued commitment to the use of NEC4 contracts in Peru. Other successes during the year included the launch of a new NEC Accreditation Register, and the launch of a special Hong Kong Edition of the NEC Engineering and Construction Contract.

The events venue, One Great George Street, in Westminster, continued its post-pandemic recovery, performing well despite the external pressures caused by the challenging economic climate in the United Kingdom, including high inflation and the impact that had on both costs and the tightening labour market.

Key performance indicators

The Company monitors its performance on a regular basis through a number of key performance indicators. Financial performance is monitored monthly and principal financial measures are turnover, gross and operating profit margins. Performance is monitored against budgets and prior year. The measures are reviewed in detail by the Directors and the executive team to ensure that they are understood and, where necessary, that informed measures are taken to improve them.

	2023	2022
Turnover	£22.1m	£20.9m
Gross margin	81%	81%
Operating margin	26%	24%

Non-financial performance is monitored in a number of ways as appropriate for the different business divisions.

Achievement of KPIs, both financial and non-financial, is directly linked to executive pay and reward.

Future developments

The Company's business is well placed to benefit from supporting the infrastructure industry and tackle its ongoing skills shortages through training, publications, and recruitment services. Our market-leading contract suite, NEC4, continues to enjoy widespread endorsement, and our project management accredited training is widely recognised and continues to attract increasing interest from international clients in both existing and potential new markets.

Our Westminster events venue continues its recovery post pandemic. The business continues to work closely with its suppliers and customers and continues to benefit from a steadily increasing order book.

The directors believe that with continued investment in the company's product range, with particular emphasis on quality and employing people with the relevant expertise, the company will continue to improve its strong market position.

Principal risks and uncertainties

The Board has overall responsibility for the Company's identification and evaluation of key risks and ensuring appropriate systems of internal control are in place to mitigate against these risks. The role of executive management is to implement the Board's policies on risk and control and present assurance on compliance with these policies by the Company. All employees are accountable for operating within these policies. Where mitigating actions require additional resources such as employment of staff or development of systems, products and services, these are approved by the Board as part of the ongoing budgeting and forecasting process.

Economic risks

The Company is subject to risks from competition and trends in the external economic and business environment, and the principal uncertainty facing the business at the date of signing these financial statements is the current state of the economy in the United Kingdom, and the uncertainty this creates, including the effect this may have on client and consumer sentiment.

The affect that this may have on the company's hospitality and training businesses cannot be accurately quantified, but the directors are of the opinion that the company's diversified activities and established relationships with clients and suppliers across different geographic areas and industries leaves the company as a whole in a strong position to manage the risk successfully.

Financial risks

The Company is exposed to credit risk on its trade debtor balances. The company has a credit control facility which monitors exposure to credit risk.

The Company has debt in the form of a deferred loan from its parent undertaking. The loan is subject to interest at a variable rate. The company is exposed to cash flow risk on that debt instrument as a result of movements in interest rates.

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company's policy throughout the year has been to achieve this objective through management's day to day involvement in business decisions rather than through setting maximum or minimum liquidity ratios.

Operational risks

Each of the principal operating areas is also subject to specific risks.

The provision of meeting facilities and ancillary services is exposed to the risks of health and safety incidents.

The provision of engineering contracts and related services are dependent upon continued endorsement from statutory organisations and major customers.

Recruitment services are subject to changes in the structure of this market, with an increasing number of positions being filled through social media channels.

Section 172(1) Statement

The directors of the Company have regard to the interests of the Company's stakeholders in accordance with S172(1)(a – f) of the Companies Act 2006.

The directors recognise their responsibility to act in good faith to promote the success of the Company for the benefit of its shareholder, the Institution of Civil Engineers, while also considering the impact of their decisions on other stakeholders. These stakeholders include clients, strategic partners, employees, suppliers, the environment, and the wider community. Engagement with these stakeholders, to understand the issues and factors which are most important to them, is a vital impact of our decision-making process. In making key decisions, the directors consider the outcomes of the engagement with relevant stakeholders.

The Company and Group have an established governance, risk management, and internal control framework that facilitates Board oversight. The framework also ensures that directors consider all relevant factors in accordance with their duties prior to making major Board decisions and that the Board makes decisions for the long-term success of the Company and its stakeholders. The directors use conclusions from the Company's regular review of its governance, risk management, and internal controls frameworks to improve Board activities and decision-making processes.

Supplier and customer engagement

The Company recognises the importance of fostering business relationships with its suppliers to meet operational and strategic priorities, maximise efficiencies, and optimise costs. Having strong commercial relationships is key to operating the Company successfully, and the Company engages with suppliers on a regular basis to ensure they are providing the services as anticipated by the Company and seeking feedback from suppliers, where applicable.

It is the Company's policy to agree appropriate terms and conditions in advance with its suppliers and to make payment in accordance with those terms and conditions, provided that the supplier has complied with them.

Client care is within the Board's main area of interest. Listening to our clients' needs and acting in their best interest is our priority. Working with domestic and international markets, we work with our customers to bring innovative and tailored solutions to their needs, and once established, we maintain long lasting relationships with them.

Shareholder engagement

Engagement with The Institution of Civil Engineers, the Company's sole shareholder and ultimate parent, is essential for the long-term success of the Company. Key decisions, such as the sale of the majority of the Company's book and journal portfolio, are considered by the Board and discussed with the shareholder. The Chair and the Managing Director of the Company act as the primary interfaces between the Company and the shareholder.

Employee engagement

The Board recognises that the continuing success of the Company depends on its employees and is adopting policies designed to retain, attract, develop, and train talented individuals and teams.

Regular and open communication between management and employees is viewed as essential for motivating a highly educated workforce. As a result, both the Company and the Group place considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings, with regular briefings held to provide business updates and give opportunities for questions and feedback.

Environmental matters

The Company is a wholly owned subsidiary of the Institution of Civil Engineers, for which consolidated financial statements have been prepared for the financial year ended 31 December 2023. Accordingly, the Company's sources of greenhouse gas emissions and energy usage are reported as part of the Group financial statements of the Institution of Civil Engineers, which are available from One Great George Street, Westminster, London, SW1P 3AA.

BY ORDER OF THE BOARD

rachel white

Rachel White
Director
13 March 2024

The directors present their annual report together with the audited financial statements of the Company for the year ended 31 December 2023.

Information about the Company's performance for the company for the year ended 31 December 2023, along with the Section 172(1) Statement, information on future developments, and an analysis of principal risks and uncertainties, can be found in the Strategic Report.

Results and Dividends

The results for the year are set out on page 15. Qualifying charitable donations to the Company to its parent in respect of the year total £11,026k (2022: £4,975k).

The directors do not propose the payment of a dividend.

Directors

The membership of the Board during the period from 1 January 2023 to the date of this report is set out below. All directors served on the Board throughout the period, except as noted:

Rachel White – Chair

Susan Bailey (resigned 17 January 2023)

Nicholas Baveystock (resigned 31 January 2023)

Marta Fernandez Bertos

Christopher Gibson (resigned 28 April 2023)

Simon Harden

Richmond Mark Lowry

Simon Leicester (appointed 17 January 2023, resigned 16 November 2023)

Lara Martini

Calum Mercer (appointed 16 November 2023)

Carolyn Morgan

Andrea Naylor (appointed 23 March 2023)

Gary Payne

Janet Young (appointed 31 January 2023)

None of the directors had a beneficial interest in the share capital of the company during the year.

Directors' and officers' liability

The Company has made qualifying third-party indemnity provision for the benefit of its directors against liability in respect of proceedings brought by third parties, subject to conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision was in place during the period and remains in force as at the date of approving this report.

Corporate Governance

The Board discharges its responsibilities by providing effective governance and oversight to the Company within a framework of prudent and proportionate controls, which enables risk to be assessed at an early stage and proactively managed. The Board sets the Company's strategic aims and ensures that the necessary financial and human resources are in place for the Company to meet its business commitments. The Board regularly monitors management's performance.

The Board maintains a schedule of matters, which are specifically reserved for its decision. Such matters include, but are not limited to, the final approval of annual budgets, strategic plans, major investment decisions, and any changes to the Company's financing arrangements. It has also adopted a framework of delegated commercial and operational authorities which define the scope of the executive officers' powers and those of subsidiary management.

The Board convenes at least six times a year at formal Board meetings.

Employee policies

The education and development of the Company's employees is a priority. With the intent of attracting, recruiting, developing, and retaining key employees, the Group maintains a number of policies and procedures, which are participated in by the Company, such as an equal opportunities policy. Employee development is encouraged through appropriate training.

The Company is an equal opportunities employer and bases decisions on an individual's ability regardless of race, religion, gender, sexuality, age, or disability. The Company's equal opportunities policy is designed to ensure that all applicants are given the same consideration when they apply for jobs, and that all employees enjoy the same training and career development prospects.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of employees becoming disabled, every effort is made to ensure their employment with the Company continues and appropriate training is arranged. It is the policy of the Company that the training, career development, and promotion of disabled employees should, as far as possible, be identical to that of other employees.

The Company continues to ensure that there is continued support for staff working from home and has policies in place to enable flexible working conditions.

Health and safety

The Company has well-developed health and safety policies and procedures, safeguarding employees, contractors, and visitors in compliance with applicable registration and practice.

Going concern

Whilst there are ongoing challenges within some of the markets in which the Company operates, the directors have considered these regarding the current economic climate. Detailed budgets and cash flow forecast are completed in conjunction with the Company's ultimate parent and controlling party, the Institution of Civil Engineers. Ongoing performance against targets is comprehensively reviewed with forecasts updated on a regular basis.

After careful consideration of the above, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and operate within the level of their facilities for the foreseeable future and for a period of not less than 12 months from the date of signing the financial statements and they continue to adopt the going concern basis in preparing the annual report and accounts.

Events after the balance sheet date

There have been no significant events affecting the Company since the year end.

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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). 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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, to disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the 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.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Provision of information to the auditor

Each of the persons who are directors at the time when the Directors' Report is approved has confirmed that:

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

Auditors

Haysmacintyre LLP offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 2006.

BY ORDER OF THE BOARD

rachel white

Rachel White
Director
13 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THOMAS TELFORD LIMITED

Opinion

We have audited the financial statements of Thomas Telford Limited (the 'Company') for the year ended 31 December 2023 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of the its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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 this regard.

Opinions on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the Company, 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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

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.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular the valuation of intangible assets and provisions for bad and/or doubtful debts and stock.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of 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.



Thomas Wilson (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, statutory auditor
10 Queen Street Place
London, UK
EC4R 1AG

Date: 18/04/24

Haysmacintyre LLP is a limited liability partnership registered in England and Wales (with registered number OC423459).

THOMAS TELFORD LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
Year ended 31 December 2023

		2023	2022
	Note	£'000	£'000
Turnover	1	22,126	20,865
Cost of sales		<u>(4,277)</u>	<u>(3,979)</u>
Gross profit		17,849	16,886
Administrative expenses		<u>(12,127)</u>	<u>(11,913)</u>
Operating profit		5,722	4,973
Gain on disposal of publishing assets		5,283	-
Interest receivable	2	39	20
Interest payable	2	<u>(18)</u>	<u>(18)</u>
Profit on ordinary activities before taxation		11,026	4,975
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		11,026	4,975
Payment under Gift Aid to The Institution of Civil Engineers		<u>(11,026)</u>	<u>(4,975)</u>
Retained profit for the financial year		-	-
Retained earnings brought forward	12	15	15
Retained earnings carried forward		<u>15</u>	<u>15</u>

All transactions arise from continuing operations.

There was no other comprehensive income in the period (2022: £nil).

THOMAS TELFORD LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Intangible assets	6	652	758
Tangible assets	7	<u>143</u>	<u>129</u>
		795	887
Current assets			
Stocks	8	137	334
Debtors	9	3,343	3,913
Cash at bank and in hand		<u>3,770</u>	<u>868</u>
		7,250	5,115
Creditors: amounts falling due within one year	10	<u>(7,097)</u>	<u>(5,187)</u>
Net current assets (liabilities)		<u>153</u>	<u>(72)</u>
Total assets less current liabilities		<u>948</u>	<u>815</u>
Creditors: amounts falling due after more than one year	11	<u>(932)</u>	<u>(799)</u>
Net assets		<u>16</u>	<u>16</u>
Capital and reserves			
Called up share capital	12	1	1
Retained earnings	12	<u>15</u>	<u>15</u>
Equity shareholders' funds	12	<u>16</u>	<u>16</u>

The financial statements were approved and authorised for issue by the Board of Directors on 13 March 2024.

rachel white

Rachel White
Director

Company registration number: 2556636

Basis of Preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland’ (‘FRS 102’), and with the Companies Act 2006.

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

The accounting policies have remained unchanged from the previous year.

Going Concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The directors have made this assessment in respect to a period of one year from the date of approval of these accounts. After reviewing the company’s forecasts and projections the directors are of the opinion that the company will have sufficient resources to meet its liabilities as they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

Disclosure exemptions

The company has taken advantage of the following disclosure exemptions under available in FRS 102 to subsidiary undertakings:

- Requirement to publish a cash flow statement.
- Financial instrument disclosures.
- Key management personnel compensation (but company law disclosures for directors’ remuneration still apply).
- Related party transactions entered into between two or more members of the group.

Significant judgements and estimates

Preparation of the financial statements requires the directors to make significant judgements and estimates. In the case of the company the areas affected by judgement and estimation are the estimation of the useful lives of intangible and tangible fixed assets and the related calculation of depreciation, the calculation of the provision for bad and/or doubtful debts, and the calculation of any stock provision required.

Intangible Assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of the intangibles less their residual values over their estimate useful lives, using the straight line method. Only items costing more than £5,000 are capitalised.

Intangible assets comprise software development costs and are amortised over 5-7 years.

Tangible Assets

Tangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives, using the straight line method. Only items costing more than £5,000 are capitalised.

Tangible assets comprise furniture and computer equipment and are depreciated over 5 years.

Stocks

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

Corporation tax

No provision for corporation tax is due on the company's profit in view of the arrangements to pay the whole of each year's assessable profits to The Institution of Civil Engineers under gift aid. Subject to the relevant payments being made in future years no liability for corporation tax arises under present legislation.

Turnover

Turnover is measured at fair value of the consideration received or receivable, net of discounts, and value added taxed. Turnover includes revenue earned from publishing, catering, room hire, recruitment, consultancy, and training.

Publishing

Publishing turnover comprises journal subscriptions, book sales and the sale of access to archives. Turnover is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually when the product has been delivered. Journal subscriptions are allocated to the year to which it relates, with payments received in advance being held as deferred income. NEC Copyright licence subscription is recognised on a pro-rata basis.

Catering and Room Hire

Turnover is recognised when the service has been provided. Payments received in advance are held as deferred income.

Recruitment

Recruitment advertising turnover relates to fees charged to clients for placing adverts on a web-based job board. Advert turnover is recognised in the month the advert is placed or in the case of multi-advert contracts pro-rated over the duration of the contract, which is typically 12 months.

Consultancy

Consultancy income is recognised when the service has been provided. Payments received in advance are held as deferred income.

Training

Training income relates to in-house training, public training and online learning. In-House training comprises training services provided directly to customers. Public training is delivered at events that are open to all, and online learning is delivered over the internet. Turnover is recognised when the training has taken place. Payments received in advance are held as deferred income.

Grants

Grant income is recognised when there is evidence of entitlement to the funds. Income is deferred where there are time constraints imposed on the funding or if the funding is performance related. Where entitlement to grants receivable is dependent upon fulfilment of conditions within the company's control, the income is recognised when there is sufficient evidence that conditions will be met.

Operating leases

Payments made under operating leases are charged to the income statement account on a straight line basis over the lease term.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the income statement.

1 Turnover

	2023 £'000	2022 £'000
Publishing	6,524	7,520
Catering & room hire	7,304	5,720
Training & consultancy	8,086	7,403
Recruitment	212	222
	<u>22,126</u>	<u>20,865</u>

	2023 £'000	2022 £'000
Geographical markets supplied		
United Kingdom	17,584	15,363
Overseas	4,542	5,502
	<u>22,126</u>	<u>20,865</u>

2 Interest income/(expense)

	2023 £'000	2022 £'000
Bank interest received	8	-
Interest received from parent undertaking	31	20
Interest payable on deferred loan from parent undertaking	(18)	(18)
	<u>21</u>	<u>2</u>

3 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after:

	2023 £'000	2022 £'000
Depreciation	69	73
Amortisation	237	241
Loss on disposal of intangible fixed assets	-	308
Auditors' remuneration:		
- Audit services	16	15
- Non-audit services	26	6
Operating lease payments	4	4
	<u>4</u>	<u>4</u>

4 Staff costs and directors' emoluments

Thomas Telford Limited staff are employed by The Institution of Civil Engineers Group and wages, salaries and pension costs are paid by The Institution of Civil Engineers. Staff time relating to Thomas Telford Limited is recharged to the company.

Included in the contributions to the staff costs are the following payments for directors:

	2023 £'000	2022 £'000
Directors' remuneration	405	441
Company pension contributions	25	20
	<u>430</u>	<u>461</u>

The highest paid director received total emoluments of £158k during the year (2022: £234k) and company pension contributions of £12k (2022: £10k).

Staff costs in the year to 31 December 2023 include redundancy costs of £75k (2022: £nil) and termination payments of £14k (2022: £nil).

5 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and represents:

	2023 £'000	2022 £'000
United Kingdom corporation tax on profit for the year	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the year:		
Profit on ordinary activities before taxation	<u>11,026</u>	<u>4,975</u>
Corporation tax expense at standard rate of 19% (2022: 19%)	2,095	945
Effects of:		
- Items not chargeable/deductible for tax purposes	-	10
- Timing difference between depreciation and capital allowances	(5)	8
- Foreign taxes	(94)	(116)
- Qualifying charitable donation to parent of taxable profits	<u>(1,996)</u>	<u>(847)</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

6 Intangible assets

	Total £'000
Cost	
At 1 January 2023	2,522
Additions	131
Disposals	(614)
At 31 December 2023	<u>2,039</u>
Amortisation	
At 1 January 2023	1,764
Provided in year	237
Amortisation on Disposals	(614)
At 31 December 2023	<u>1,387</u>
Net book amount at 31 December 2023	<u>652</u>
Net book amount at 31 December 2022	<u>758</u>

7 Tangible fixed assets

	Total £'000
Cost	
At 1 January 2023	728
Additions	83
Disposals	(46)
At 31 December 2023	<u>765</u>
Depreciation	
At 1 January 2023	599
Provided in year	69
Depreciation on disposals	(46)
At 31 December 2023	<u>622</u>
Net book amount at 31 December 2023	<u>143</u>
Net book amount at 31 December 2022	<u>129</u>

8 Stocks

	2023 £'000	2022 £'000
Catering	34	30
Publications:	<u>103</u>	<u>304</u>
	<u>137</u>	<u>334</u>

9 Debtors

	2023 £'000	2022 £'000
Trade debtors	3,078	2,705
Amounts owed by group undertakings	-	979
Prepayments and accrued income	198	181
Other debtors	67	48
	<u>3,343</u>	<u>3,913</u>

10 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	491	456
Other creditors	3	130
Amount owed to group undertakings	2,739	31
Accruals	1,029	1,155
Deferred income	2,835	3,415
	<u>7,097</u>	<u>5,187</u>

11 Creditors: amounts falling due after more than one year

	2023 £'000	2022 £'000
Deferred income	632	499
Deferred loan from parent undertaking repayable after one years' notice	300	300
	<u>932</u>	<u>799</u>

The deferred loan from the parent undertaking is required to fund the company's working capital requirement. The interest payable to the parent undertaking is calculated quarterly at the National Westminster Bank plc base rate ruling during the quarter or 6%, whichever is the greater.

12 Share capital

	2023 £	2022 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
502 ordinary shares of £1 each	<u>502</u>	<u>502</u>

The whole of the issued share capital of the company is owned by The Institution of Civil Engineers which operates from 1 - 7 Great George Street, Westminster, London SW1P 3AA.

The retained earnings brought forward reserve of £15k represents cumulative profits, net of qualifying charitable donations to the Institution of Civil Engineers and other adjustments.

13 Capital commitments

The company was committed to spending a further £nil on capital work at 31 December 2023 (2022: £nil).

14 Contingent liabilities

Due to the existence of a group VAT election the company would be jointly and severally liable for any VAT liabilities of the members of the VAT group, along with the other companies in that group. At 31 December 2023 the total due to HMRC was £241k (2022: £172k).

15 Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £'000	2022 £'000
Within one year	<u>1</u>	<u>1</u>

16 Related party transactions

All intra-group transactions have taken place in the normal course of business.

There were no other related party transactions in the year ended 31 December 2023 (2022: none).

17 Ultimate parent undertaking and controlling party

The Institution of Civil Engineers, a charity incorporated by Royal Charter and registered in England and Wales (charity no. 210252) and Scotland (charity no. SC038629), is the company's ultimate parent undertaking and controlling related party by virtue of its 100% ownership of the share capital of the company.

No disclosure has been made of transactions with the parent company or wholly owned subsidiaries in accordance with the exemptions allowed by paragraph 33.1A of Financial Reporting Standard 102.

The smallest and largest group of undertaking for which group accounts have been drawn up is that headed by The Institution of Civil Engineers. The financial statements of the company and The Institution of Civil Engineers are available from The Secretary at 1 - 7 Great George Street, Westminster, London SW1P 3AA.