

**REGISTERED NUMBER: 05221559 (England and Wales)**

**GHD ENVIRONMENT LIMITED**  
**DIRECTORS' REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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FOR THE YEAR ENDED 30 JUNE 2017**

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**GHD ENVIRONMENT LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2017**

**DIRECTORS:**

M C Ingram  
C W Stockton

**SECRETARY:**

M D Jennings

**REGISTERED OFFICE:**

Level 1  
Building 49 Thornton Science Park  
Pool Lane  
Ince  
Chester  
Cheshire  
CH2 4NU  
United Kingdom

**REGISTERED NUMBER:**

05221559 (England and Wales)

**AUDITOR:**

Deloitte LLP  
Statutory Auditor  
2 Hardman Street  
Manchester  
M3 3HF  
United Kingdom

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2017**

The Directors present their annual report and audited financial statements for the year ended 30 June 2017.

This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and as such have taken the exemption on the requirement to produce a strategic report.

**PRINCIPAL ACTIVITY**

The principal activity of the Company is that of environmental consultancy.

**REVIEW OF BUSINESS**

The loss before tax of the Company for the reporting period was £120,044 (2016: £362,009 loss). After accounting for the tax credit, the net assets of the Company decreased by £32,033 during the year. The Directors feel they are now in a positive position to move the Company forward.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 June 2017 (Year ended 30 June 2016: £nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2016 to the date of this report.

E S Roberts  
M C Ingram

Other changes in directors holding office are as follows:

N Leehane - resigned 8 July 2016  
J C Dutton - resigned 18 November 2016  
C W Stockton - appointed 18 November 2016

E S Roberts ceased to be a director after 30 June 2017 but prior to the date of this report.

**MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD**

No matter or circumstance has arisen since 30 June 2017 that has significantly affected or may significantly affect:

- (a) the Company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Company's state of affairs in future financial years.

**GOING CONCERN**

The financial statements have been prepared on the going concern basis and this is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern.

At the balance sheet date the Company had net current liabilities of £200,593 (2016: £140,073) however, excluding amounts due to/from other group companies the Company had net current assets of £92,630 (2016: £76,355).

The ultimate parent company, GHD Group Pty Ltd, has undertaken to support the Company for a period of not less than 12 months from the date on which the financial statements are signed. The directors have considered this support and, after making enquiries of the directors of GHD Group Pty Ltd, have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that they have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of GHD Group Pty Ltd to continue as a going concern. For this reason the directors adopted the going concern basis in preparing the financial statements.

**GHD ENVIRONMENT LIMITED (REGISTERED NUMBER: 05221559)**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2017**

**AUDITOR**

Each of the persons who are a director at the date of approval of this annual report confirms that:


- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) the 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 s418 of the Companies Act 2006.

Deloitte LLP was appointed to fill the casual vacancy. A resolution to re-appoint Deloitte LLP as auditor will be proposed at the AGM.

This report is made in accordance with a resolution of the Board.

**ON BEHALF OF THE BOARD:**

  
M C Ingram - Director

Date: 23.03.2018

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2017**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events, and conditions on the Company's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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

## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF GHD ENVIRONMENT LIMITED**

### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017, and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (and IFRSs as issued by the International Accounting Standards Board (IASB)); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of GHD Environment Limited (the 'Company') which comprise:

- the statement of profit or loss and other comprehensive income
- the statement of financial position
- the statement of changes in equity
- the statement of cash flows
- the notes to the statement of cash flows; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### **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 auditors' 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**

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

- the directors' use of the going concern basis of accounting in the 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 twelve 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 in the Directors' Report and the Directors' Responsibilities Statement, 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 this 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.

## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF GHD ENVIRONMENT LIMITED**

### **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 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **Use of our report**

This report is made solely to the company's member, 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 member 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 other opinions we have formed.

### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the

In 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 directors' report.



**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
GHD ENVIRONMENT LIMITED**

**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 matter 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 or directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the director' report or from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Carl Acton

Carl Acton BA (Hons) ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
2 Hardman Street  
Manchester  
M3 3HF  
United Kingdom

Date: 23 March 2018

**GHD ENVIRONMENT LIMITED (REGISTERED NUMBER: 05221559)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 £	2016 £
<b>CONTINUING OPERATIONS</b>			
Revenue		676,063	1,046,928
Cost of sales		<u>(339,122)</u>	<u>(709,606)</u>
<b>GROSS PROFIT</b>		336,941	337,322
Administrative expenses		<u>(453,395)</u>	<u>(694,460)</u>
<b>OPERATING LOSS</b>		(116,454)	(357,138)
Finance costs	5	(3,590)	(4,876)
Finance income	5	<u>-</u>	<u>5</u>
<b>LOSS BEFORE INCOME TAX</b>	6	(120,044)	(362,009)
Income tax	7	<u>88,011</u>	<u>19,818</u>
<b>LOSS FOR THE YEAR</b>		(32,033)	(342,191)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<u><u>(32,033)</u></u>	<u><u>(342,191)</u></u>

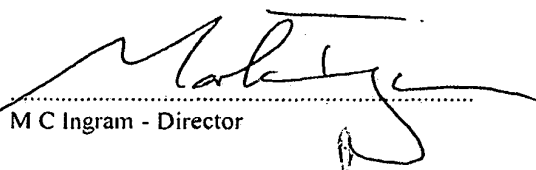
The notes form part of these financial statements

**GHD ENVIRONMENT LIMITED (REGISTERED NUMBER: 05221559)**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2017**

	Notes	2017 £	2016 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	460,835	473,310
Deferred tax	17	<u>2,326</u>	<u>-</u>
		<u>463,161</u>	<u>473,310</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	9	226,151	212,841
Cash and cash equivalents	10	29,520	21,755
Prepayments		<u>16,230</u>	<u>23,467</u>
		<u>271,901</u>	<u>258,063</u>
<b>TOTAL ASSETS</b>		<u>735,062</u>	<u>731,373</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	11	451,000	451,000
Retained earnings	12	<u>(290,881)</u>	<u>(258,848)</u>
<b>TOTAL EQUITY</b>		<u>160,119</u>	<u>192,152</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	14	<u>102,449</u>	<u>141,085</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	435,730	361,372
Financial liabilities - borrowings			
Interest bearing loans and borrowings	14	<u>36,764</u>	<u>36,764</u>
		<u>472,494</u>	<u>398,136</u>
<b>TOTAL LIABILITIES</b>		<u>574,943</u>	<u>539,221</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>735,062</u>	<u>731,373</u>

The financial statements were approved by the Board of Directors on ..... 23.03.2018. and were signed on its behalf by:

  
M C Ingram - Director

The notes form part of these financial statements

**GHD ENVIRONMENT LIMITED (REGISTERED NUMBER: 05221559)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2017**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 July 2015</b>	451,000	83,343	534,343
<b>Changes in equity</b>			
Total comprehensive loss	-	(342,191)	(342,191)
		Y8	
<b>Balance at 30 June 2016</b>	451,000	(258,848)	192,152
<b>Changes in equity</b>			
Total comprehensive loss	-	(32,033)	(32,033)
<b>Balance at 30 June 2017</b>	451,000	(290,881)	160,119

The notes form part of these financial statements

**GHD ENVIRONMENT LIMITED (REGISTERED NUMBER: 05221559)****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Cash generated from operations 1	50,356	1,439
Interest paid	<u>(3,590)</u>	<u>(4,876)</u>
Net cash from/(used in) operating activities	<u>46,766</u>	<u>(3,437)</u>
<b>Cash flows used in investing activities</b>		
Purchase of tangible fixed assets	(365)	(1,281)
Interest received	<u>-</u>	<u>5</u>
Net cash used in investing activities	<u>(365)</u>	<u>(1,276)</u>
<b>Cash flows used in financing activities</b>		
Repayments of borrowings	<u>(38,636)</u>	<u>(37,568)</u>
Net cash used in financing activities	<u>(38,636)</u>	<u>(37,568)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	<u>7,765</u>	<u>(42,281)</u>
Cash and cash equivalents at beginning of year 2	21,755	64,036
Cash and cash equivalents at end of year 2	<u>29,520</u>	<u>21,755</u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2017**

**1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	2017	2016
	£	£
Loss before income tax	(120,044)	(362,009)
Depreciation charges	12,840	18,170
Loss on disposal of investments	-	1
Finance costs	3,590	4,876
Finance income	-	(5)
	<u>(103,614)</u>	<u>(338,967)</u>
Decrease in trade and other receivables	79,612	87,587
Increase in trade and other payables	<u>74,358</u>	<u>252,819</u>
<b>Cash generated from operations</b>	<u><b>50,356</b></u>	<u><b>1,439</b></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 30 June 2017**

	30.6.17	1.7.16
	£	£
Cash and cash equivalents	<u>29,520</u>	<u>21,755</u>

**Year ended 30 June 2016**

	30.6.16	1.7.15
	£	£
Cash and cash equivalents	<u>21,755</u>	<u>64,036</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS**

The financial statements of GHD Environment Limited ("the Company") for the period ended 30 June 2017 were authorised for issue by the board of directors on ..... GHD Environment Limited is a private limited company, registered in England and limited by shares. The principal continuing activity of the Company is that of a professional services company involved in management, engineering, the environment and planning. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the Company are set out in note 3.

**2. STATUTORY INFORMATION**

GHD Environment Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**3. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Great British Pounds.

**Going concern**

The financial statements have been prepared on the going concern basis and this is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern.

At the balance sheet date the Company had net current liabilities of £200,593 (2016: £140,073) however, excluding amounts due to/from other group companies the Company had net current assets of £92,630 (2016: £76,355).

The ultimate parent company, GHD Group Pty Ltd, has undertaken to support the Company for a period of not less than 12 months from the date on which the financial statements are signed. The directors have considered this support and, after making enquiries of the directors of GHD Group Pty Ltd, have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that they have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of GHD Group Pty Ltd to continue as a going concern. For this reason the directors adopted the going concern basis in preparing the financial statements.

**Estimates and assumptions**

Estimates and judgements are regularly evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The estimates and assumptions that have a potential risk of causing a material adjustment to the carrying amounts of assets and liabilities with the next financial year are discussed below:

**(a) Work in progress**

The accurate calculation of work in progress relies on accurate forecasts of contract costs to completion which are based on management's best estimate. At 30 June 2017, the net amount of work in progress was an asset of £91 (2016: £36,805). Refer to Note 9.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2017**

**3. ACCOUNTING POLICIES - continued**

**Revenue recognition**

Amounts disclosed as revenue are net of duties and taxes paid. Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met. The directors believe that sales revenue relating to professional services represents one class of business.

**(a) Consulting services revenue**

Consulting revenue is measured at the fair value of the consideration received or receivable. When the outcome of a contract can be reliably estimated, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. When the outcome of a contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recovered. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the statement of financial position, as a liability, as advances received. Amounts billed from work performed but not yet paid by the customer are included in the statement of financial position under trade and other receivables

**(b) Interest income**

Interest on bank accounts is recognised as receivable.

**Property, plant and equipment**

Plant and equipment is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Depreciation is calculated on a straight line basis over the useful life of the assets. The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease, or the estimated useful life of the improvement to the Company, whichever is the shorter. An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised. The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end. Depreciation is provided on all plant and equipment on a straight line basis over its expected useful life as follows:

Buildings	- 50 years
Leasehold improvements	- 5 years
Plant and machinery	- 3 to 5 years



**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2017**

**3. ACCOUNTING POLICIES - continued**

**Taxes**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

**Foreign currency translation**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to profit or loss.

**Cash and cash equivalents**

Cash in the statement of financial position comprises cash at banks and on hand.

**Financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**Borrowings**

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the statement of financial position date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

**Trade receivables**

Trade receivables are recognised at cost less provision for doubtful debts. The recoverability of trade receivables is reviewed on an ongoing basis. A provision for doubtful receivables is established when collection of the full nominal amount is no longer probable. Bad debts are written off as incurred.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2017**

**3. ACCOUNTING POLICIES - continued**

**Employee benefits**

**(a) Wages and salaries and annual leave**

Liabilities for wages and salaries and annual leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. They are expected to be settled within one year.

**(b) Pensions**

The Company operates a defined contribution pension scheme. Contributions to this scheme are recognised in profit or loss in the period in which they become payable.

**New accounting standards and interpretations**

**(a) New standards and interpretations adopted**

In the current financial period, the Company has adopted all the applicable new and revised IFRSs that are relevant to its operations and effective for annual periods beginning on or after 1 July 2016. The adoption of any new/revised IFRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

**(b) New standards and interpretations not applied**

The IASB and IFRIC have issued the following standards, amendments and interpretations with an effective date after the date of these financial statements:

<b>International Accounting Standards (IAS/IFRSs)</b>	<b>Effective date</b>
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
Clarifications to IFRS 15 Revenue from Contracts with Customers (Apr 2016)	1 January 2018
Annual Improvements to IFRSs: 2014-16 Cycle – IFRS 1 and IAS 28 Amendments (Dec 2016)	1 January 2018 c
IFRS 16 Leases	1 January 2019
Annual Improvements to IFRS Standards 2015-2017 Cycle – IFRS 3, IFRS 11, IAS 12 and IAS 23 Amendments (Dec 2017)	1 January 2019

The Company is currently undertaking an exercise to assess the financial impact of their adoption.

**4. EMPLOYEES AND DIRECTORS**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	415,888	776,577
Social security costs	44,809	93,218
Other pension costs	20,996	38,526
	<u>481,693</u>	<u>908,321</u>

The average monthly number of employees during the year was as follows:

	<b>2017</b>	<b>2016</b>
Directors*	3	3
Professional staff	8	17
Support staff	2	3
	<u>13</u>	<u>23</u>

\*One of the directors (2016: one) is also professional staff. For the purpose of this note, he is only categorised as 'a director'.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2017**

**4. EMPLOYEES AND DIRECTORS - continued**

	2017 £	2016 £
Directors' remuneration	-	81,554
Directors' pension contributions to money purchase schemes	-	6,087

The amounts are for the period which the directors are in office. M C Ingram and C W Stockton were also directors of related entities. Their emolument and pension costs are disclosed in the financial statements of GHD Livigunn Limited. It is not possible to separately identify the emoluments attributable to services provided to each company.

**5. NET FINANCE COSTS**

	2017 £	2016 £
Finance income:		
Deposit account interest	-	5
Finance costs:		
Bank loan interest	3,590	4,856
Other interest	-	20
	<u>3,590</u>	<u>4,876</u>
Net finance costs	<u>3,590</u>	<u>4,871</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2017**

**6. LOSS BEFORE INCOME TAX**

The loss before income tax is stated after charging:

	2017	2016
	£	£
Depreciation - owned assets	12,840	18,170
Loss on disposal of fixed assets	-	1
Auditors' remuneration - audit of the financial statements	5,364	3,600
Corporate statutory charges	24,873	-
Foreign exchange differences	<u>2,597</u>	<u>8,498</u>

The Company's taxation compliance fees are charged to the immediate parent company and are included in the Gutteridge Haskins & Davey Limited company accounts.

**7. INCOME TAX**

**Analysis of tax income**

	2017	2016
	£	£
Current tax:		
Tax	(21,882)	-
Under/(over) provision in prior year	<u>(63,803)</u>	<u>-</u>
Total current tax	(85,685)	-
Deferred tax	<u>(2,326)</u>	<u>(19,818)</u>
Total tax income in statement of profit or loss and other comprehensive income	<u>(88,011)</u>	<u>(19,818)</u>

**Factors affecting the tax expense**

The tax assessed for the year is lower (2016 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2017	2016
	£	£
Loss before income tax	<u>(120,044)</u>	<u>(362,009)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19.750% (2016 - 20%)	(23,709)	(72,402)
Effects of:		
Expenses not deductible for tax purposes	21	37
Short term timing differences	-	(18,187)
Unrecognised tax losses	-	69,873
Over provision in prior year	(63,803)	-
Other	(520)	-
Group loss relief	<u>-</u>	<u>861</u>
Tax income	<u>(88,011)</u>	<u>(19,818)</u>

Finance Act No2 2015, which was substantively enacted on 26 October 2015, included provisions to reduce the corporation tax to 19% with effect from 1 April 2017. A further cut to 17% with effect from 1 April 2020 has subsequently been enacted. Accordingly 19% has been applied when calculating deferred tax assets and liabilities as at 30 June 2017.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2017

## 8. PROPERTY, PLANT AND EQUIPMENT

	Buildings £	Leasehold improvements £	Plant and machinery £	Totals £
<b>COST</b>				
At 1 July 2016	567,057	10,771	90,732	668,560
Additions	-	-	365	365
At 30 June 2017	<u>567,057</u>	<u>10,771</u>	<u>91,097</u>	<u>668,925</u>
<b>DEPRECIATION</b>				
At 1 July 2016	99,738	10,771	84,741	195,250
Charge for year	<u>11,340</u>	-	<u>1,500</u>	<u>12,840</u>
At 30 June 2017	<u>111,078</u>	<u>10,771</u>	<u>86,241</u>	<u>208,090</u>
<b>NET BOOK VALUE</b>				
At 30 June 2017	<u>455,979</u>	<u>-</u>	<u>4,856</u>	<u>460,835</u>
At 30 June 2016	<u>467,319</u>	<u>-</u>	<u>5,991</u>	<u>473,310</u>

## 9. TRADE AND OTHER RECEIVABLES

	2017 £	2016 £
Current:		
Trade receivables	151,279	129,543
Amounts due from contract customers	91	36,805
Amounts receivable from common controlled entities (note 19)	67,300	11,694
Other debtors	<u>7,481</u>	<u>34,799</u>
	<u>226,151</u>	<u>212,841</u>

**Trade receivables****(a) Provision for doubtful debts**

Trade receivables are non-interest bearing and are generally on 30 days terms. A provision for doubtful debts is recognised when there is objective evidence that an individual trade receivable is impaired.

At period end, the ageing analysis of trade receivables is as follows:

	Total £	0-30 Days £	31-90 Days PDNI* £	+91 Days PDNI* £
30/06/2017	151,279	83,284	60,776	7,219
30/06/2016	129,543	93,764	32,368	3,411

\* Past due not impaired ("PDNI")

All debtors aged over 90 days (2016: 90 days) have been collected before the signing date of the financial statements. The directors do not consider a provision for impairment of receivables to be required.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2017**

**9. TRADE AND OTHER RECEIVABLES - continued**

**(b) Fair value and credit risk**

Due to the short term nature of trade receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the carrying amount of receivables, net of provision for doubtful debts. New client credit assessments are undertaken where expected fees exceed £5,000, the detail being dependent on the fee. The credit risk of existing clients is reassessed where there are indicators of issues with timely collection of debts.

<b>Work in progress</b>	<b>2017 £</b>	<b>2016 £</b>
Contracts in progress at the end of the reporting period:		
Revenue earned less recognised losses of contracts in progress at the reporting date	<u>91</u>	<u>36,805</u>
Net work in progress	<u>91</u>	<u>36,805</u>
 Amounts due from contract customers included in trade and other receivables	 <u>91</u>	 <u>36,805</u>
Net work in progress	<u>91</u>	<u>36,805</u>

**Amounts receivable from common controlled entities**

Intercompany receivables are held as current on trading account for a period of less than 12 months, are unsecured, interest free and are repayable on demand.

**10. CASH AND CASH EQUIVALENTS**

	<b>2017 £</b>	<b>2016 £</b>
Cash in hand	303	303
Bank accounts	<u>29,217</u>	<u>21,452</u>
	<u>29,520</u>	<u>21,755</u>

**11. CALLED UP SHARE CAPITAL**

<b>Allotted, issued and fully paid:</b>			<b>2017</b>	<b>2016</b>
<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>£</b>	<b>£</b>
417,175	Ordinary A shares	£1	417,175	417,175
33,825	Ordinary B shares	£1	<u>33,825</u>	<u>33,825</u>
			<u>451,000</u>	<u>451,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2017**

**12. RESERVES**

	Retained earnings £
At 1 July 2016	(258,848)
Deficit for the year	<u>(32,033)</u>
At 30 June 2017	<u>(290,881)</u>

Retained earnings are the profits/(losses) the business elects to keep within the Company after paying dividends to shareholders.

**13. TRADE AND OTHER PAYABLES**

	2017 £	2016 £
Current:		
Trade payables	19,955	34,645
Social security and other taxes	52,752	38,537
Amounts payable to common controlled entities (note 19)	360,523	228,102
Accruals	<u>2,500</u>	<u>60,088</u>
	<u>435,730</u>	<u>361,372</u>

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days (2016: 33 days). The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Payables to related parties are interest free, unsecured and due for payment upon demand. They are considered as current. The directors consider that the carrying amount of trade payables approximates to their fair value.

**14. FINANCIAL LIABILITIES - BORROWINGS**

	2017 £	2016 £
Current:		
Bank loans	<u>36,764</u>	<u>36,764</u>
Non-current:		
Bank loans	<u>102,449</u>	<u>141,085</u>

Terms and debt repayment schedule

	1 year or less £	1-2 years £	Totals £
Bank loans	<u>36,764</u>	<u>102,449</u>	<u>139,213</u>

The bank loan is secured by a first legal charge over commercial property known as Unit 1, Calverton Business Park, Hoyle Road, Calverton, dated 10 February 2008. The interest rate attached to the bank loan is at base rate plus 1.95%.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2017

## 15. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND RISKS MANAGEMENT

**(a) Financial instruments**

The Company's principal financial instruments comprise receivables, payables and intercompany loans. At the end of the reporting period, there are no significant concentrations of credit risk for loans and receivables. The carrying amount reflected below represents the Company's maximum exposure to credit risk for such loans and receivables.

	2017 £	2016 £
<b>Financial assets</b>		
Cash and cash equivalents	29,520	21,755
Trade and other receivables	<u>226,151</u>	<u>212,841</u>
	<u>255,671</u>	<u>234,596</u>
<b>Financial liabilities</b>		
Trade and other payables	380,478	262,747
Bank loans	<u>139,213</u>	<u>177,849</u>
	<u>519,691</u>	<u>440,596</u>

**(b) Financial risk management objectives and policies**

The Company manages its exposure to key financial risks which are credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to receivables and use of loan from a common controlled entity. Ageing analyses are undertaken to manage credit risk (note 9). Liquidity risk is monitored through future cash flow forecasts.

**(c) Risk exposures and responses****(i) Credit risk**

Credit risk arises from cash and cash equivalents, trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The principal credit risk is the non-payment of trade receivables by clients. The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures where expected fees exceed £5,000. Ageing analyses are undertaken to manage credit risk (note 9). Receivable balances are monitored on an ongoing basis to minimise the Company's exposure to credit risk.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. Liquidity risk is monitored through future cash flow forecasts. The Company maintains continuity and flexibility of funding through the use of bank facilities.

**(iii) Market risk**

Market risk arises where there are changes in market conditions such as interest rates or foreign exchange rates.

**Foreign currency risk**

The Company's receivables are in Great British Pounds. Receivables to related entities totalling £53,020 (2016: £5,234) were in currencies other than Great British Pounds.

The Company's payables are in Great British Pounds. Payables to related entities totalling £2,760 (2016: £13,012) were in currencies other than Great British Pounds.

A sensitivity analysis was carried out and should the Great British Pounds were to weaken/strengthen by +/-10%, impact on the profit and loss account would be £5,026 (2016: £778). The 10% is the change in foreign exchange rates that management deems reasonably possible.

**(d) Capital management****(i) Risk management**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or sell assets to reduce debt.



**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2017**

**16. DEFERRED TAX**

	2017	2016
	£	£
Balance at 1 July	-	19,818
(Credit)/charge to statement of profit or loss	(2,326)	(19,818)
Balance at 30 June	(2,326)	-

Deferred tax relates to depreciation charged in excess of capital allowances claimed.

**17. ULTIMATE PARENT COMPANY**

Gutteridge Haskins & Davey Limited is the immediate parent company as at the balance sheet date. The directors consider GHD Group Pty Ltd, a company registered in Australia, to have been the ultimate parent company as at the balance sheet date. The smallest and largest group of undertakings for which group accounts have been drawn up as at 30 June 2017 is GHD Group Pty Ltd. Copies of GHD Group Pty Ltd & Controlled Entities Consolidated Financial Statements can be obtained on application to the Company Secretary, Level 15, 133 Castlereagh St, Sydney NSW 2000, Australia, which is its registered address.

**18. CAPITAL COMMITMENTS AND CONTINGENCIES**

There are no capital commitment or contingent liabilities at the statement of financial position date.

**19. RELATED PARTY DISCLOSURES**

During the period the Company entered into transactions, in the ordinary course of business, with other related parties. All transactions were made on arm's length. Those transactions with directors are disclosed in note 4 if any. Transactions entered into, and trading balances outstanding at 30 June 2017 with other related parties, are as follows.

Related party	Sales to related party £	Amounts owed by related party £	Amounts owed to related party £	Loans from related party £	Loan repaid to related party £
Common controlled entities	96,670	67,300	360,523	-	-

Transactions entered into, and trading balances outstanding at 30 June 2016 with other related parties, are as follows.

Related party	Sales to related party £	Amounts owed by related party £	Amounts owed to related party £	Loans from related party £	Loan repaid to related party £
Common controlled entities	138,649	11,694	228,102	-	-

**20. EVENTS AFTER THE REPORTING PERIOD**

No matter or circumstance has arisen since 30 June 2017 that has significantly affected or may significantly affect:

- (a) the Company's operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) the Company's state of affairs in future financial years.