

GHD ENVIRONMENT LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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FOR THE YEAR ENDED 30 JUNE 2016**

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GHD ENVIRONMENT LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2016**

DIRECTORS:

E S Roberts
M C Ingram
C W Stockton

SECRETARY:

M D Jennings

REGISTERED OFFICE:

4 Innovation Close
York Science Park
York
YO10 5ZF

REGISTERED NUMBER:

05221559 (England and Wales)

AUDITOR:

Deloitte LLP
Chartered Accountants and Statutory Auditor
1 City Square
Leeds
LS1 2AL

GHD ENVIRONMENT LIMITED (REGISTERED NUMBER: 05221559)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

The Directors present their annual report and audited financial statements for the year ended 30 June 2016.

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

On 1 July 2014, the group headed by GHD Group Pty Ltd acquired CRA Holdings Inc. and all of its subsidiaries. Subsequently, the reporting date of the Company was changed to 30 June. On 31 March 2015 Gutteridge Haskins & Davey Limited acquired 100% of the shares in the Company from GHD Holdings (Canada) Inc. This report is prepared for the period 1 July 2015 to 30 June 2016 with a comparative period of 2 July 2014 to 30 June 2015. The loss before tax of the Company for the reporting period was £362,009 (2015: £64,465 loss). The net assets of the Company decreased by £342,191 from 30 June 2015 to 30 June 2016, this was a result of the current year losses which included redundancy and reorganisation costs. 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 2016 (Period ended 30 June 2015: £210,000).

DIRECTORS

E S Roberts has held office during the whole of the period from 1 July 2015 to the date of this report.

Other changes in directors holding office are as follows:

M C Ingram - appointed 1 June 2016

C W Stockton was appointed as a director after 30 June 2016 but prior to the date of this report.

J C Dutton and N Leehane ceased to be directors after 30 June 2016 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 2016 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

As at 30 June 2016, the Company had net current liabilities of £140,073 (2015: net current assets £242,614), however excluding amounts due to other group companies the Company had net current assets of £76,335 (2015: £214,367). 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.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

AUDITOR

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

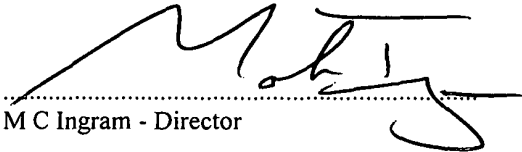
- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish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

Murray Smith LLP resigned as auditor during the period. 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: 29/3/17

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

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;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GHD ENVIRONMENT LIMITED

We have audited the financial statements of GHD Environment Limited for the year ended 30 June 2016 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 and the related notes 1 to 22. 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.

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

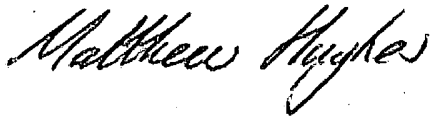
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



Matthew Hughes BSc (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
1 City Square
Leeds
LS1 2AL

Date: 30 March 2017

GHD ENVIRONMENT LIMITED (REGISTERED NUMBER: 05221559)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

		Year Ended 30.6.16 £	Period 2.7.14 to 30.6.15 £
	Notes		
CONTINUING OPERATIONS			
Revenue		1,046,928	1,279,362
Cost of sales		<u>(709,606)</u>	<u>(700,654)</u>
GROSS PROFIT		337,322	578,708
Administrative expenses		<u>(694,460)</u>	<u>(636,091)</u>
OPERATING LOSS		(357,138)	(57,383)
Finance costs	4	(4,876)	(7,082)
Finance income	4	<u>5</u>	<u>-</u>
LOSS BEFORE INCOME TAX	5	(362,009)	(64,465)
Income tax	6	<u>19,818</u>	<u>(1,573)</u>
LOSS FOR THE YEAR/PERIOD		(342,191)	(66,038)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		<u>(342,191)</u>	<u>(66,038)</u>

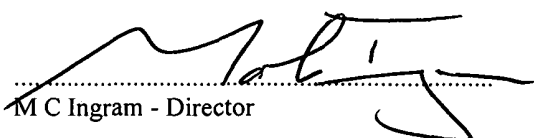
The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
30 JUNE 2016

	Notes	2016 £	2015 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	473,310	490,199
Investments	9	-	1
		<u>473,310</u>	<u>490,200</u>
CURRENT ASSETS			
Trade and other receivables	10	212,841	313,342
Cash and cash equivalents	11	21,755	64,036
Prepayments		<u>23,467</u>	<u>10,553</u>
		<u>258,063</u>	<u>387,931</u>
TOTAL ASSETS		<u><u>731,373</u></u>	<u><u>878,131</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	12	451,000	451,000
Retained earnings	13	(258,848)	83,343
TOTAL EQUITY		<u>192,152</u>	<u>534,343</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	141,085	178,653
Deferred tax	18	-	19,818
		<u>141,085</u>	<u>198,471</u>
CURRENT LIABILITIES			
Trade and other payables	14	361,372	108,553
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	<u>36,764</u>	<u>36,764</u>
		<u>398,136</u>	<u>145,317</u>
TOTAL LIABILITIES		<u>539,221</u>	<u>343,788</u>
TOTAL EQUITY AND LIABILITIES		<u><u>731,373</u></u>	<u><u>878,131</u></u>

These financial statements have been prepared in accordance with the provisions applicable to the companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Directors on 29/3/17 and were signed on its behalf by:


M C Ingram - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	Called up share capital £	Retained earnings £	Total equity £
Balance at 2 July 2014		1,000	359,381	360,381
Changes in equity				
Issue of share capital	12	450,000	-	450,000
Dividends	7	-	(210,000)	(210,000)
Total comprehensive loss		-	(66,038)	(66,038)
Balance at 30 June 2015		<u>451,000</u>	<u>83,343</u>	<u>534,343</u>
Changes in equity				
Total comprehensive loss		-	(342,191)	(342,191)
Balance at 30 June 2016		<u>451,000</u>	<u>(258,848)</u>	<u>192,152</u>

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	Year Ended 30.6.16 £	Period 2.7.14 to 30.6.15 £
Cash flows from operating activities			
Cash generated from operations	1	1,439	(250,285)
Interest paid		(4,876)	(7,082)
Tax paid		-	(314)
Net cash from operating activities		<u>(3,437)</u>	<u>(257,681)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,281)	-
Interest received		<u>5</u>	-
Net cash from investing activities		<u>(1,276)</u>	-
Cash flows from financing activities			
Repayments of borrowings		(37,568)	(36,627)
Share issue		-	450,000
Equity dividends paid		-	(210,000)
Net cash from financing activities		<u>(37,568)</u>	<u>203,373</u>
Decrease in cash and cash equivalents		<u>(42,281)</u>	<u>(54,308)</u>
Cash and cash equivalents at beginning of year	2	64,036	118,344
Cash and cash equivalents at end of year	2	<u><u>21,755</u></u>	<u><u>64,036</u></u>

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

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

	Year Ended 30.6.16 £	Period 2.7.14 to 30.6.15 £
Loss before income tax	(362,009)	(64,465)
Depreciation charges	18,170	15,200
Loss on disposal of fixed asset investments	1	-
Finance costs	4,876	7,082
Finance income	(5)	-
	<u>(338,967)</u>	<u>(42,183)</u>
Decrease/(increase) in trade and other receivables	87,587	(21,816)
Increase/(decrease) in trade and other payables	<u>252,819</u>	<u>(186,286)</u>
Cash generated from operations	<u><u>1,439</u></u>	<u><u>(250,285)</u></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 2016

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

Period ended 30 June 2015

	30.6.15 £	2.7.14 £
Cash and cash equivalents	<u><u>64,036</u></u>	<u><u>118,344</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

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 2016 were authorised for issue by the board of directors on 29/3/2017. GHD Environment Limited is a private limited company incorporated and domiciled in England and Wales. 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 2.

2. 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

As at 30 June 2016, the Company had net current liabilities of £140,073 (2015: net current assets £242,614), however excluding amounts due to other group companies the Company had net current assets of £76,335 (2015: £214,367). 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 2016, the net amount of work in progress was an asset of £36,805 (2015: £109,553). Refer to Note 10.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016**

2. 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 2016**

2. 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016**

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Fixed price operating lease payments are charged to profit or loss on a straight line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

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.

Investments in subsidiaries

Investments in subsidiaries are carried at the lower of cost or net realisable value. The carrying amounts of investments are reviewed annually.

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 April 2015. 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:

International Accounting Standards (IAS/IFRSs)	Effective date
IAS 7 Statement of Cash Flows (amendments)	1 January 2017
IAS 12 Income Taxes (amendments)	1 January 2017
IFRS 9 Financial Instruments (2014)	1 January 2018
IFRS 15 Revenue from contracts with customers	1 January 2017
IFRS 16 Leases (amendments)	1 January 2017

It is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

3. EMPLOYEES AND DIRECTORS

	Year Ended 30.6.16 £	Period 2.7.14 to 30.6.15 £
Wages and salaries	776,577	789,594
Social security costs	93,218	85,532
Other pension costs	<u>38,526</u>	<u>39,916</u>
	<u>908,321</u>	<u>915,042</u>

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

	Year Ended 30.6.16	Period 2.7.14 to 30.6.15
Directors*	3	3
Professional staff	17	17
Support staff	<u>3</u>	<u>5</u>
	<u>23</u>	<u>25</u>

*One of the directors (2015: one) is also professional staff. For the purpose of this note, he is only categorised as 'a director'.

	Year Ended 30.6.16 £	Period 2.7.14 to 30.6.15 £
Directors' remuneration	81,554	80,750
Directors' pension contributions to money purchase schemes	<u>6,087</u>	<u>3,875</u>

The amounts are for the period which the directors are in office. J C Dutton and E Roberts are also directors of related entities. Their emolument and pension costs are disclosed in the financial statements of those entities. It is not possible to separately identify the emoluments attributable to services provided to each company.

4. NET FINANCE COSTS

	Year Ended 30.6.16 £	Period 2.7.14 to 30.6.15 £
Finance income:		
Deposit account interest	<u>5</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016**

4. NET FINANCE COSTS - continued

	Year Ended 30.6.16 £	Period 2.7.14 to 30.6.15 £
Finance costs:		
Bank loan interest	4,856	7,082
Other interest	<u>20</u>	<u>-</u>
	<u>4,876</u>	<u>7,082</u>
Net finance costs	<u>4,871</u>	<u>7,082</u>

5. LOSS BEFORE INCOME TAX

	Year Ended 30.6.16 £	Period 2.7.14 to 30.6.15 £
Depreciation - owned assets	18,170	15,200
Loss on disposal of fixed asset investments	1	-
Fees payable to the Company's auditor for the audit of the financial statements	3,600	3,000
Foreign exchange differences	<u>8,498</u>	<u>1,197</u>

6. INCOME TAX

Analysis of tax (income)/expense

	Year Ended 30.6.16 £	Period 2.7.14 to 30.6.15 £
Current tax	-	314
Deferred tax	<u>(19,818)</u>	<u>1,259</u>
Total tax (income)/expense in statement of profit or loss and other comprehensive income	<u>(19,818)</u>	<u>1,573</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

6. INCOME TAX - continued

Factors affecting the tax (income)/expense

The tax assessed for the year differs from the average standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 30.6.16 £	Period 2.7.14 to 30.6.15 £
Loss on ordinary activities before income tax	<u>(362,009)</u>	<u>(64,465)</u>
Loss on ordinary activities multiplied by the average standard rate of corporation tax in the UK of 20% (2015 - 20%)	(72,402)	(12,893)
Effects of:		
Expenses not deductible for tax purposes	37	2,225
Short term timing differences	(18,187)	1,090
Unrecognised tax losses	69,873	11,151
Group loss relief	<u>861</u>	<u>-</u>
Tax (income)/expense	<u>(19,818)</u>	<u>1,573</u>

At 30 June 2016 there was a potential deferred tax asset of £78,794 (2015: £9,784) in respect of unutilised tax losses, accelerated capital allowances and short term timing differences. A deferred tax asset was not recognised due to the uncertainty as to whether it would be recovered.

Finance Act No2 2015, which was substantively enacted on 26 October 2015, includes further provisions to reduce the corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. Accordingly 19% has been applied when calculating deferred tax assets and liabilities as at 30 June 2016.

7. DIVIDENDS

	Year Ended 30.6.16 £	Period 2.7.14 to 30.6.15 £
Ordinary A shares shares of £1 each		
Interim	-	194,250
Ordinary B shares shares of £1 each		
Interim	<u>-</u>	<u>15,750</u>
	<u>-</u>	<u>210,000</u>

An interim dividend of £210.00 per A and B ordinary share was paid on 15 March 2015.

The total distribution of dividends for the period ended 30 June 2015 was £210,000.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

8. PROPERTY, PLANT AND EQUIPMENT

	Buildings £	Leasehold improvements £	Plant and machinery £	Total £
COST				
At 2 July 2014	<u>567,057</u>	<u>10,771</u>	<u>89,451</u>	<u>667,279</u>
At 1 July 2015	567,057	10,771	89,451	667,279
Additions	<u>-</u>	<u>-</u>	<u>1,281</u>	<u>1,281</u>
At 30 June 2016	<u><u>567,057</u></u>	<u><u>10,771</u></u>	<u><u>90,732</u></u>	<u><u>668,560</u></u>
DEPRECIATION				
At 2 July 2014	77,057	10,771	74,052	161,880
Charge for period	<u>11,341</u>	<u>-</u>	<u>3,859</u>	<u>15,200</u>
At 1 July 2015	88,398	10,771	77,911	177,080
Charge for year	<u>11,340</u>	<u>-</u>	<u>6,830</u>	<u>18,170</u>
At 30 June 2016	<u><u>99,738</u></u>	<u><u>10,771</u></u>	<u><u>84,741</u></u>	<u><u>195,250</u></u>
NET BOOK VALUE				
At 30 June 2016	<u><u>467,319</u></u>	<u><u>-</u></u>	<u><u>5,991</u></u>	<u><u>473,310</u></u>
At 30 June 2015	<u><u>478,659</u></u>	<u><u>-</u></u>	<u><u>11,540</u></u>	<u><u>490,199</u></u>

9. INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2015	1
Disposals	<u>(1)</u>
At 30 June 2016	<u>-</u>
NET BOOK VALUE	
At 30 June 2016	<u><u>-</u></u>
At 30 June 2015	<u><u>1</u></u>

On 8 September 2015 CRA Europe Limited (incorporated in England and Wales) was dissolved.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

10. TRADE AND OTHER RECEIVABLES

	2016 £	2015 £
Current:		
Trade receivables	129,543	148,992
Amounts due from contract customers	36,805	109,553
Amounts receivable from common controlled entities (note 21)	11,694	51,655
Other debtors	<u>34,799</u>	<u>3,142</u>
	<u>212,841</u>	<u>313,342</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* £
30/06/2016	129,543	93,764	32,368	3,411
30/06/2015	148,992	33,019	104,328	11,645

* Past due not impaired ("PDNI")

All debtors aged over 90 days (2015: 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.

(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.

Work in progress	2016 £	2015 £
Contracts in progress at the end of the reporting period:		
Revenue earned less recognised losses of contracts in progress at the reporting date	<u>36,805</u>	<u>109,553</u>
Net work in progress	<u>36,805</u>	<u>109,553</u>
Amounts due from contract customers included in trade and other receivables	<u>36,805</u>	<u>109,553</u>
Net work in progress	<u>36,805</u>	<u>109,553</u>

11. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	303	-
Bank accounts	<u>21,452</u>	<u>64,036</u>
	<u>21,755</u>	<u>64,036</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2016	2015
Number:	Class:		£	£
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>

On 31 March 2015 the following shares were issued and fully paid:

	Nominal Value	Shares Issued	Total Value
	£	No.	£
Ordinary A Shares	1	416,250	416,250
Ordinary B Shares	1	33,750	33,750

13. RESERVES

	Retained earnings £
At 1 July 2015	83,343
Loss for the year	<u>(342,191)</u>
At 30 June 2016	<u>(258,848)</u>

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

14. TRADE AND OTHER PAYABLES

	2016	2015
	£	£
Current:		
Trade payables	34,645	4,990
Social security and other taxes	38,537	71,563
Amounts payable to common controlled entities (note 21)	228,102	23,408
Accruals	<u>60,088</u>	<u>8,592</u>
	<u>361,372</u>	<u>108,553</u>

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 33 days (2015: 8 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

15. FINANCIAL LIABILITIES - BORROWINGS

	2016 £	2015 £
Current:		
Bank loans	<u>36,764</u>	<u>36,764</u>
Non-current:		
Bank loans	<u>141,085</u>	<u>178,653</u>

Terms and debt repayment schedule

	1 year or less £	1-2 years £	Totals £
Bank loans	<u>36,764</u>	<u>141,085</u>	<u>177,849</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%.

16. LEASING AGREEMENTS

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2016 £	2015 £
Land and buildings		
Not later than one year	<u>-</u>	<u>5,940</u>
	<u>-</u>	<u>5,940</u>
Plant and equipment		
After one year but not more than five years	<u>-</u>	<u>1 189</u>
	<u>-</u>	<u>1 189</u>
Total	<u>-</u>	<u>7,129</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

17. 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.

	2016 £	2015 £
Financial assets		
Cash and cash equivalents	21,755	64,036
Trade and other receivables	<u>212,841</u>	<u>313,342</u>
	<u>234,596</u>	<u>377,378</u>
Financial liabilities		
Trade and other payables	262,747	28,398
Bank loans	<u>177,849</u>	<u>215,417</u>
	<u>539,221</u>	<u>323,970</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 10). 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 10). 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 £5,234 (2015: £50,455) were in currencies other than Great British Pounds.

The Company's payables are in Great British Pounds. Payables to related entities totalling £13,012 (2015: £473) 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 £778 (2015: £5,098). The 10% is the change in foreign exchange rates that management deems reasonably possible.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2016

18. DEFERRED TAX

	2016	2015
	£	£
Balance at beginning of period	19,818	18,559
(Credit)/charge to statement of profit or loss	(19,818)	1,259
Balance at 30 June	-	19,818

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

19. ULTIMATE PARENT COMPANY

Effective 31 March 2015, the ownership of the Company was transferred from GHD Holdings (Canada) Inc to Gutteridge Haskins & Davey Limited, a company registered in England & Wales. The ultimate parent company is GHD Group Pty Ltd (a company registered in Australia). 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.

20. CAPITAL COMMITMENTS AND CONTINGENCIES

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

21. 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 3 if any. 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	-	-

Transactions entered into, and trading balances outstanding at 30 June 2015 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	150,105	51,655	23,408	-	-

22. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2016 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.

**INCOME STATEMENT SUMMARIES
FOR THE YEAR ENDED 30 JUNE 2016**

	Year Ended 30.6.16 £	Period 2.7.14 to 30.6.15 £
REVENUE		
Fees	<u>1,046,928</u>	<u>1,279,362</u>
	<u>1,046,928</u>	<u>1,279,362</u>
COST OF SALES		
Direct costs	255,423	220,391
Wages	338,661	358,690
Social security	83,083	85,532
Pensions	<u>32,439</u>	<u>36,041</u>
	<u>709,606</u>	<u>700,654</u>

**INCOME STATEMENT SUMMARIES
FOR THE YEAR ENDED 30 JUNE 2016**

	Year Ended 30.6.16 £	Period 2.7.14 to 30.6.15 £
ADMINISTRATIVE EXPENSES		
Establishment costs		
Rent and rates	21,092	30,923
Insurance	109,262	47,245
Light and heat	4,664	4,178
Administrative expenses		
Directors' salaries	81,554	80,750
Directors' social security	10,135	-
Directors' pension contributions	6,087	3,875
Indirect wages	356,362	350,154
Telephone	11,530	9,419
Postage, stationery and advertising	6,620	14,160
Travel costs	(1,405)	31,047
Repairs and renewals	9,012	1,816
Computer consumables	2,503	98
Office and cleaning	8,499	5,257
Subscriptions	5,882	12,172
Recruitment and training	6,447	3,395
Sundry expenses	8,588	3,096
Entertainment	598	2,198
Accountancy	6,501	10,958
Management charges	9,107	-
Legal fees	430	360
Auditors' remuneration - audit of the financial statements	3,600	3,000
Foreign exchange losses	8,498	1,197
Admin extra 1		
Bad debts	-	4,572
Finance costs		
Bank charges	723	1,021
Depreciation		
Buildings	11,340	11,341
Plant and machinery	6,830	3,859
Profit/loss on sale of assets		
Loss on disposal of investment	<u>1</u>	<u>-</u>
	<u>694,460</u>	<u>636,091</u>
FINANCE COSTS		
Bank loan interest	4,856	7,082
Other interest	<u>20</u>	<u>-</u>
	<u>4,876</u>	<u>7,082</u>
FINANCE INCOME		
Deposit account interest	<u>5</u>	<u>-</u>
	<u>5</u>	<u>-</u>

This page is unaudited and does not form part of the statutory financial statements