REGISTERED NUMBER: 05661240 (England and Wales)

GHD LIVIGUNN LIMITED

ANNUAL REPORT AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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GHD LIVIGUNN LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2018

DIRECTORS:	M C Ingram C W Stockton S D Tennant M D Jennings M Hurst J Hensman
SECRETARIES:	M D Jennings Ms L M Elbourne
REGISTERED OFFICE:	Level 1, Building 49 Thornton Science Park Pool Lane, Ince Chester Cheshire CH2 4NU
REGISTERED NUMBER:	05661240 (England and Wales)
AUDITOR:	Deloitte LLP Four Brindleyplace Birmingham B1 2HZ
BANKERS:	HSBC Bank Plc 4th Floor, City Point 29 King Street Leeds LS1 2HL

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The directors present their Strategic Report with the consolidated financial statements of the GHD Livigunn Group for the year ended 30 June 2018. The figures reported here reflect the performance of the Group holding company, GHD Livigunn Limited (the 'Company' or the 'Parent'), and those of its wholly owned subsidiaries Livingston Gunn Projects Limited, George Hutchison Associates Limited and Birkett Stevens Colman Partnership Limited (together called the 'Group').

REVIEW OF BUSINESS

The turnover for the Group for the reporting period was £14,586,869 (2017: £14,797,132) and the profit on ordinary activities before tax was £761,468 (2017: £1,035,559).

The continuing moratorium on rail and infrastructure project spending in the UK resulted in reduced work and lower margins from these sectors. The ongoing uncertainty created by Brexit has impacted on work availability in all sectors as the general economic confidence in the UK has suffered, despite GDP growth remaining positive, albeit at low levels. Consequently, the directors continue to review market trends and are developing a strategy to service a diversified portfolio of sectors in the coming years.

The strategy continues to remain robust and to aim for significant growth of the business operations. During FY15 the global business launched its 2020 strategy and the UK business is now focusing its efforts on the delivery of the business objectives contained within the 2020 strategy documentation, although there is an acceptance that economic uncertainty in the UK has inhibited the initial growth targets.

The directors are pleased to note that a majority of the work we carry out is having a direct impact on reducing our clients' carbon footprint, with the incorporation of renewable energy, lean design techniques and continual design innovation at the forefront.

Our innovative approach to design and the quality of work we produce is exemplified by the recognition we receive from respected, professional and technical organisations. We are extremely proud of the acknowledgement we continue to receive from our peers within the industry, but also recognise the importance of being both a responsible and sustainable business in all that we do. We are an approved signatory of the Prompt Payment Code, demonstrating our commitment to fair trade and best practice within the supply chain. We remain committed to the CEMARS scheme demonstrating our ongoing commitment to carbon reduction and we have received two RoSPA Gold Medals, given for six consecutive Gold Awards for Occupational Health & Safety.

For the third consecutive year, we have been recognised as a top NCE100 company. The NCE100, published by the UK's New Civil Engineer (NCE) magazine, is an annual assessment of the most forward-thinking, innovative firms operating in civil engineering today. The annual 'power' list recognises the top 100 companies that are driving the industry forward, increasing productivity, driving cultural change, and delivering for society both in the UK and worldwide. GHD Livigunn's place on the list is based on NCE's assessment of our business practices and leadership in key industry challenges including health, safety and wellbeing, diversity, talent development and collaborative working.

This year we also won the NCE Excellence in Water category for our role leading the design of Severn Trent's upgrade of the Elan Valley Aqueduct, a critical 113-year-old buried structure providing Birmingham with clean water.

The cash position of the Group has reduced from £444,568 at 30 June 2017 to £321,163 at 30 June 2018. The net assets of the Group increased by £729,239 between 30 June 2017 and 30 June 2018.

KEY PERFORMANCE INDICATORS

	2018	2017
Average headcount	153	178
Revenue	£14,586,869	£14,797,132
Gross margin % [1]	31.3%	33.7%
EBITDA [2]	£832,082	£1,228,938
Net profit after tax	£580,496	£552,255

1 Sales revenue less professional and technical employee costs and project related disbursement, divided by sales revenue, expressed as a percentage.
2 Earnings before net finance costs, tax, depreciation and amortisation and profit on disposal of fixed assets.

PRINCIPAL RISKS & UNCERTAINTIES

The ongoing principal risks to the business are; securing new workload, improving project profitability and optimising working capital. Continuing economic uncertainty created by Brexit has served to increase these risks through a lengthening of decision making in relation to awarding new contracts, competition at bid/tender stages and a noticeable delay in payments from certain clients.

The risks are being mitigated through:

- the appointment of market sector leads with responsibility for the proactive identification of new opportunities with both existing and strategic clients
- creating an improved commercial awareness in relation to project profitability via the project/financial management system and via ongoing project management training; and
- improved engagement of project managers in reducing the working capital cycle through enhanced communication with clients, supported by efficient invoicing practices and enhanced commercial awareness of payment terms.

GOING CONCERN

At the statement of financial position date the Company had net current liabilities of £845,680 (2017: £1,216,029) however, excluding amounts due to/from other group companies the Company had net current assets of £2,079,928 (2017: £561,555).

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 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.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:

....

Mark Ingram
Director

Date: 3/5/19.

GHD LIVIGUNN LIMITED (REGISTERED NUMBER: 05661240)

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The directors present their annual report with the financial statements of the Company and the Group for the year ended 30 June 2018.

PRINCIPAL ACTIVITY

The principal activity of the Group is that of consulting engineers, process mechanical design and project management.

DIVIDENDS

The Company did not declare any dividends during the year (2017 £nil).

FUTURE DEVELOPMENTS

Developing a new range of Digital services and applying new business Advisory services to current, deep relationships will expand the Company's capability in the UK. This will assist in enhancing our geographical footprint, supported by a specific UK focus on client engagement, and will allow a suitable strategy to be developed around the most appropriate mix of public and private investment in projects within the business.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2017 to the date of this report.

M C Ingram	C W Stockton
S D Tennant	M D Jennings
M Hurst	J Hensman

FINANCIAL RISK MANAGEMENT

The directors of the Group have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's principal financial instruments comprise receivables, payables and cash. The Group manages its exposure to key financial risks: credit risk, liquidity risk and foreign currency risk. The Group 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 assessments of market forecasts for foreign exchange rates. Ageing analyses are undertaken to manage credit risk. Liquidity risk is monitored through future cash flow forecasts as part of the standard working capital management processes.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

No matter or circumstance has arisen since 30 June 2018 that has significantly affected or may significantly affect:

(a) the Group's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Group's state of affairs in future financial years.

GOING CONCERN

The financial statements have been prepared on the going concern basis, the reasoning behind this has been documented in the strategic report.

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 Group's auditor is unaware; and

(b) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group'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.

A resolution to re-appoint Deloitte LLP as auditor will be proposed at the Annual General Meeting.

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

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:

Mark Ingram
Director

3/5/19
Date

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

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 Group and Parent's company 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 Group and parent's company and of the profit or loss of the Group for that period. In preparing these Group and Parent's company 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 are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's and Group'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 Group and parent 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 Group and Parent's 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 LIVIGUNN LIMITED

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of GHD Livigunn Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2018 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of profit or loss and other comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company statements of cash flows;
- the notes to the statements of cash flows; and
- the related notes 1 to 26.

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 and, as regards the parent company financial statements, as applied in accordance with the provisions 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 group and the parent 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 where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 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 respect of these matters.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinion 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 group 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 group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

Highton

Lee Highton FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Four Brindleyplace
Birmingham
B1 2HZ

Date: 7th May 2019

GHD LIVIGUNN LIMITED (REGISTERED NUMBER: 05661240)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	2017 £
CONTINUING OPERATIONS			
Revenue	4	14,586,869	14,797,132
Cost of sales		(10,021,135)	(9,810,974)
GROSS PROFIT		4,565,734	4,986,158
Administrative expenses		(3,798,266)	(3,945,009)
OPERATING PROFIT		767,468	1,041,149
Finance costs	6	(6,000)	(7,000)
Finance income	6	-	1,410
PROFIT BEFORE INCOME TAX		761,468	1,035,559
Income tax expense	8	(180,972)	(483,304)
PROFIT FOR THE YEAR		580,496	552,255
Profit attributable to:			
Owners of the parent		580,496	552,255
OTHER COMPREHENSIVE INCOME/(LOSS)			
Item that may be reclassified subsequently to profit or loss:			
Actuarial gains/(losses) on defined benefit pension plans	22	183,000	(41,000)
Deferred tax relating to item of other comprehensive income	21	(34,257)	6,247
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		148,743	(34,753)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		729,239	517,502
Total comprehensive income attributable to:			
Owners of the parent		729,239	517,502

GHD LIVIGUNN LIMITED (REGISTERED NUMBER: 05661240)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 £	2017 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	10	497,737	497,737
Property, plant and equipment	11	506,389	426,326
Deferred tax	21	14,250	48,507
		1,018,376	972,570
CURRENT ASSETS			
Trade and other receivables	13	6,179,385	5,721,829
Prepayments		175,194	275,017
Cash and cash equivalents	14	321,163	444,568
		6,675,742	6,441,414
TOTAL ASSETS		7,694,118	7,413,984
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	2,501,000	2,501,000
Retained earnings	16	2,840,998	2,111,759
TOTAL EQUITY		5,341,998	4,612,759
LIABILITIES			
NON-CURRENT LIABILITIES			
Pension liability	22	75,300	255,300
Deferred tax	21	9,359	21,029
Provisions	20	113,472	192,602
		198,131	468,931
CURRENT LIABILITIES			
Trade and other payables	17	2,153,989	2,332,263
Tax payable		-	31
		2,153,989	2,332,294
TOTAL LIABILITIES		2,352,120	2,801,225
TOTAL EQUITY AND LIABILITIES		7,694,118	7,413,984

The financial statements were approved by the Board of Directors on 3/5/19 and were signed on its behalf by:

Mark Ingram
Director

GHD LIVIGUNN LIMITED (REGISTERED NUMBER: 05661240)

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 £	2017 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	10	497,735	-
Property, plant and equipment	11	240,277	13,260
Investments	12	5,300,976	6,711,711
		6,038,988	6,724,971
CURRENT ASSETS			
Trade and other receivables	13	3,339,376	1,549,557
Prepayments		124,233	119,289
Cash and cash equivalents	14	188,045	93,717
		3,651,654	1,762,563
TOTAL ASSETS		9,690,642	8,487,534
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	2,501,000	2,501,000
Retained earnings brought forward	16	3,005,909	1,468,538
(Loss)/profit for the year	9	(325,292)	1,537,371
TOTAL EQUITY		5,181,617	5,506,909
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax	21	11,691	2,033
CURRENT LIABILITIES			
Trade and other payables	17	4,497,334	2,978,592
TOTAL LIABILITIES		4,509,025	2,980,625
TOTAL EQUITY AND LIABILITIES		9,690,642	8,487,534

The financial statements were approved by the Board of Directors on 3/5/19 and were signed on its behalf by:

Mark Ingram
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2016	2,501,000	1,594,257	4,095,257
Changes in equity			
Profit for the year	-	552,255	552,255
Other comprehensive expense	-	(34,753)	(34,753)
Total comprehensive income	-	517,502	517,502
Balance at 30 June 2017	2,501,000	2,111,759	4,612,759
Changes in equity			
Profit for the year	-	580,496	580,496
Other comprehensive income	-	148,743	148,743
Total comprehensive income	-	729,239	729,239
Balance at 30 June 2018	2,501,000	2,840,998	5,341,998

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2016	2,501,000	1,468,538	3,969,538
Changes in equity			
Profit for the year and total comprehensive income	-	1,537,371	1,537,371
Balance at 30 June 2017	2,501,000	3,005,909	5,506,909
Changes in equity			
Loss for the year and total comprehensive expense	-	(325,292)	(325,292)
Balance at 30 June 2018	2,501,000	2,680,617	5,181,617

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from/(used in) operations	1	111,107	(352,112)
Defined benefit pension contributions		(20,000)	(20,000)
Defined benefit pension plans service cost		17,000	16,000
Tax paid		-	(66,436)
Net cash provided by/(used in) operating activities		108,107	(422,548)
Cash flows from investing activities			
Payment for plant and equipment		(255,211)	(182,726)
Proceeds from sale of plant and equipment		23,699	1,158
Interest received		-	1,410
Net cash used in investing activities		(231,512)	(180,158)
Decrease in cash and cash equivalents		(123,405)	(602,706)
Cash and cash equivalents at beginning of year	2	444,568	1,047,274
Cash and cash equivalents at end of year	2	321,163	444,568

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from/(used in) operations	1	340,539	(1,529,763)
Net cash provided by/(used in) operating activities		340,539	(1,529,763)
Cash flows from investing activities			
Payment for plant and equipment		(255,211)	(3,194)
Proceeds from sale of plant and equipment		9,000	1,158
Dividends received		-	1,500,000
Net cash (used in)/provided by investing activities		(246,211)	1,497,964
Increase/(decrease) in cash and cash equivalents		94,328	(31,799)
Cash and cash equivalents at beginning of year	2	93,717	125,516
Cash and cash equivalents at end of year	2	188,045	93,717

NOTES TO THE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE INCOME TAX TO CASH GENERATED FROM/(USED IN) OPERATIONS

	2018	2017
Consolidated	£	£
Profit for the year	580,496	552,255
Adjustments for:		
Depreciation charges	103,477	188,705
Profit on disposal of fixed assets	(38,863)	(916)
Finance costs	6,000	7,000
Finance income	-	(1,410)
	651,110	745,634
Increase in trade and other receivables	(357,733)	(1,374,319)
Decrease in trade and other payables	(370,947)	(183,107)
Increase/(decrease) in provisions	7,705	(23,624)
Tax assets and liabilities, net of tax reflected in equity and pensions	180,972	483,304
Cash generated from/(used in) operations	111,107	(352,112)

	2018	2017
Company	£	£
(Loss)/profit for the year	(325,292)	1,537,371
Adjustments for:		
Depreciation charges	28,194	19,254
Profit on disposal of fixed assets	(9,000)	(916)
Impairment of investment	913,000	-
Finance income	-	(1,500,000)
	606,902	55,709
(Increase)/decrease in trade and other receivables	(1,810,909)	294,194
Increase/(decrease) in trade and other payables	1,400,156	(1,888,714)
Tax assets and liabilities	144,390	9,048
Cash generated from/(used in) operations	340,539	(1,529,763)

2. CASH AND CASH EQUIVALENTS

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

	Consolidated		Company	
Year ended 30 June 2018				
	30.6.18	1.7.17	30.6.18	1.7.17
	£	£	£	£
Cash and cash equivalents	321,163	444,568	188,045	93,717
Year ended 30 June 2017				
	30.6.17	1.7.16	30.6.17	1.7.16
	£	£	£	£
Cash and cash equivalents	444,568	1,047,274	93,717	125,516

1. CORPORATE INFORMATION

GHD Livigunn Limited is a private company, limited by shares, registered in England and Wales and incorporated in the United Kingdom under Companies Act 2006. The Company's registered number and registered office address can be found on the Company Information page.

2. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS

The consolidated financial statements of the GHD Livigunn Limited and its subsidiaries (the 'Group') for the year ended 30 June 2018 were authorised for issue by the Board of Directors on ...3/5/19... GHD Livigunn Limited and its subsidiaries are private limited companies incorporated in the United Kingdom under Companies Act 2006 and domiciled in England and Wales. The principal continuing activity of the Group is that of a professional services company involved in engineering consultancy, management, the environment and planning. The consolidated and Company 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 Group are set out in note 3.

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

At the statement of financial position date the Company had net current liabilities of £845,680 (2017: £1,216,029) however, excluding amounts due to/from other group companies the Company had net current assets of £2,079,928 (2017: £561,555).

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 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.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying accounting policies

There are no critical judgements, apart from those involving estimations, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(ii) Key sources of estimation uncertainty

The key assumptions about the future, and other key sources of estimation uncertainty at the reporting period end that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

3. ACCOUNTING POLICIES - continued

(ii) Key sources of estimation uncertainty - continued

Work in progress

The calculation of work in progress relies on accurate forecasts of contract costs at completion which, generally, are difficult to ascertain. In making their judgement, management considered the detailed criteria for the recognition of revenue as outlined in the revenue recognition accounting policy below. Management are satisfied that the work in progress is appropriately determined. At 30 June 2018, the net amount of work in progress was an asset of £1,117,693 (2017: a liability of £157,764). Refer to Note 13.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The Group tests at the end of each reporting period whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to note 10 for details of these assumptions and the potential impact of changes to the assumption.

Investment impairment

Investments are tested for impairment at the each reporting period date or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the investment's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair-value-less-cost-to-sell and value-in-use.

Basis of consolidation

The Group financial statements consolidate the results of the Company and its subsidiary undertakings. The results of subsidiaries acquired are consolidated for the periods from which the control passes to the Group. Intercompany transactions and balances between Group companies are eliminated.

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 Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met. The directors believe that sales revenue relating to professional services represents one class of business.

Consulting services and construction contracts

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 consolidated 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 consolidated statement of financial position under trade and other receivables.

Interest income

Interest on bank accounts is recognised as receivable when due.

3. **ACCOUNTING POLICIES - continued**

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of net identifiable assets of the acquired business at the date of acquisition. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment. Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs that are expected to benefit from the business combination in which the goodwill arose.

Transfer of assets

When the business of a subsidiary is transitioned into the parent company, the goodwill related to this business acquisition is hived up to the parent reducing the investment value and treated as an asset of the parent.

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 Group, 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:

Short leasehold	- 10% on cost and straight line over the lease term
Improvements to property	- 20% on cost
Plant and machinery	- Between 20% and 50% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 50% on cost

Taxes

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

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 Balance Sheet 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 currencies

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.

3. ACCOUNTING POLICIES - continued

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Cash and cash equivalents

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

Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense on an effective yield basis. 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 Group 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.

3. **ACCOUNTING POLICIES - continued**

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of acquisition) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The consideration also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are recognised in profit or loss as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed, that meet the criteria for recognition, on a business combination are, with limited exceptions, measured initially at their fairvalues at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Investments

Investments in subsidiaries are stated at cost less accumulated impairment losses. On the disposal of the investment in subsidiaries, the difference between proceeds and the carrying amounts of the investments are recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period, and are discounted to present value where the effect is material.

Premises make good

The Company has legal obligations to 'make good' certain of its leasehold premises on departure from those premises. Provisions are measured both initially and subsequently as the present value of the amount required to settle the obligation at the end of the reporting period.

Employee benefits

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.

Pensions

The Group accounts for pensions and similar benefits under IAS 19 "Employee Benefits". In respect of defined benefit plans (pension plans that define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation), obligations are measured at discounted present value whilst plan assets are recorded at fair value. As required under IAS 19, the liability valuation has been undertaken on the Projected Unit method.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the net of the plan obligations and assets. No allowance is made in the past service liability in respect of either the future expenses of running the schemes or for non-service related death in service benefits which may arise in the future. The operating costs of such plans are charged to operating profit and the finance costs are recognised as financial income or expense as appropriate. Service costs are spread systematically over the lives of employees and financing costs are recognised in the periods in which they arise. Actuarial gains and losses are recognised immediately directly to equity.

Payments to defined contribution schemes (pension plans under which the Group pays fixed contributions into a separate entity) are recognised in profit or loss in the period in which they become payable.

3. ACCOUNTING POLICIES - continued

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 2017. 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
IFRS 3 Business Combinations (Annual improvement 2015-2017 Cycle)	1 January 2019
IFRS 3 Business Combinations (Definition of business)	1 January 2020
IFRS 9 Financial Instruments (Amendments)	1 January 2018
IFRS 11 Joint Arrangements (Annual improvement 2015-2017 Cycle)	1 January 2019
Amendments to References to the Conceptual Framework in IFRS Standards (IFRS 2, IFRS 3, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC-32)	1 January 2020
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019
IFRS 17 Insurance Contracts	1 January 2019
IAS 1 Presentation of Financial Statements (Definition of material)	1 January 2020
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of material)	1 January 2020
IAS 12 Income Taxes (Annual Improvements 2015-2017 Cycle)	1 January 2019
IAS 19 Employee Benefits	1 January 2019
IAS 23 Borrowing Costs (Annual Improvements 2015-2017 Cycle)	1 January 2019
IAS 28 Investments in Associates and Joint Ventures (Long-term interests)	1 January 2019

The directors of the Group do not anticipate that the application of these amendments, with exception to IFRS 15 and IFRS 16, will have a material impact on the Group's consolidated financial statements.

- IFRS 16 Leases removes the distinction between accounting for finance leases and operating leases for lessees with operating leases to be recognised in statement of financial position as is the current practice for finance leases. As at 30 June 2018, the Group has non-cancellable operating commitments of £1,769,072 (refer to note 18). A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16 and hence the Group will recognise a right-of-use asset and corresponding liability in respect of all these leases, unless they qualify for low value or short-term leases upon the application of IFRS 16. In the statement of profit or loss and other comprehensive income, operating lease expense will be replaced by depreciation and interest expense. The new requirement to recognise a right-of-use and a related lease liability may have a significant impact on the amounts recognised in the Group's consolidated financial statements and the directors are currently assessing its potential impact. While IFRS 16 may have a future material impact on the amounts reported and disclosures made in the Group's consolidated financial statements it is not practicable to provide a reasonable estimate of the effect of these new standards until the Group finalises the detailed review.

- IFRS 15 Revenue from Contracts with Customers provides a comprehensive new framework for determining how and when to recognise revenue as well as requiring more informative and relevant disclosure. It replaces existing revenue guidance of IAS 18 Revenue, IAS 11 Construction Contracts and other revenue recognition related interpretations. The Group has adopted IFRS 15 Revenue from Contracts and Customers from 1 July 2018, using the modified retrospective method as permitted by IFRS 15. The adoption of this standard did not result in any change in the recognition of revenues compared to prior periods and therefore no comparative figures will be restated in the financial statements for the year ended 30 June 2019. In determining the impact, the Group undertook a detailed assessment of a cross-section of material contract types and found only minor changes to current accounting methods would be required. The Group has updated and implemented revised procedures and controls to meet the requirements of IFRS 15.

3. ACCOUNTING POLICIES – continued

(b) New standards and interpretations not applied - continued

- IFRS 9 Financial Instruments sets out the requirements for recognising, measuring and classifying financial assets, financial liabilities and some contracts to buy or sell non-financial items. Based on its assessment, the Group does not believe the new classification requirements will have a material impact on its accounting for trade receivables, loans and investments in equity securities measured on a fair value basis. IFRS 9 replaces the 'incurred loss' model with forward looking 'expected credit loss' (ECL) model. This will require judgement about how economic factors affect ECL. The Group believes that impairment losses are unlikely to be materially different under existing measurement methodologies. IFRS 9 requires the Group to ensure hedge accounting relationships are aligned with the Group's risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness. The Group has assessed there is no significant change to the effectiveness of hedges.

4. REVENUE

	2018	2017
	£	£
Consulting services – other	13,795,119	14,752,885
Consulting services – common controlled entities	791,750	44,247
	14,586,869	14,797,132

5. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	7,650,237	8,076,130
Social security costs	672,975	840,944
Other pension costs	263,862	373,606
	8,587,074	9,290,680

The average number of employees during the year was as follows:	2018	2017
Directors	6	6
Professional staff	140	145
Support staff	7	27
	153	178

	2018	2017
	£	£
Directors' remuneration	107,670	676,300
Directors' pension contributions to money purchase schemes	10,000	27,000

The amounts are for the period which the directors are in office. Only one director was paid by the Company in 2018 (2017: four), the other directors were paid by the immediate parent, Gutteridge Haskings & Davey Limited.

M C Ingram, C W Stockton, M D Jennings and M Hurst are also directors of related entities. Their emoluments 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.

At 30 June 2018, the directors didn't participate in a defined contribution scheme (2017: none).

6. NET FINANCE COSTS

	2018 £	2017 £
Finance income:		
Deposit account interest	-	1,410
Net finance costs in respect of defined benefit pension schemes	6,000	7,000
Net finance costs	6,000	5,590

7. PROFIT BEFORE INCOME TAX

	2018 £	2017 £
Operating lease costs	375,303	259,040
Subcontractor costs	714,694	1,727,819
Foreign exchange	(14,354)	-
Provision movement	7,705	(23,625)
Depreciation - owned assets	103,477	188,705
Profit on disposal of fixed assets	(38,863)	(916)
Fees payable to the Company's auditor for the audit of the group's financial statements	45,000	1,400
Fees payable to the Company's auditor for other services to the group:		
- The audit of the company's subsidiaries	-	43,000
Total audit fees	45,000	44,400
- Taxation compliance services	8,500	8,000
Total non-audit fees	8,500	8,000

8. INCOME TAX

Analysis of tax expense

	2018 £	2017 £
Current tax:		
Current year tax	166,635	215,877
Under provision in prior year	36,744	265,776
Total current tax	203,379	481,653
Deferred tax:		
Deferred tax	7,300	1,651
Over provision in prior year	(29,707)	-
Total deferred tax	(22,407)	1,651
Total tax expense in consolidated statement of profit or loss and other comprehensive income	**180,972**	**483,304**

8. **INCOME TAX - continued**

Factors affecting the tax expense

Income tax expense differs to the enacted rate of tax for corporations due to:

	2018	2017
	£	£
Profit before income tax	761,468	1,035,559
Prima facie tax on profit at 19% (2017 - 19.75%)	144,679	204,523
Adjusted for:		
Expenses not deductible for tax purposes	4,572	6,644
Pension cost adjustment	4,370	4,543
Short term timing differences	20,314	1,818
Under provision in prior year	7,037	265,776
Tax expense	180,972	483,304

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 2018 (note 21).

9. **LOSS OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £325,292 (2017: £1,537,371 profit).

10. **GOODWILL**

Consolidated

	2018	2017
	£	£
Goodwill at cost	1,278,372	1,278,372
Accumulated impairment loss	(780,635)	(780,635)
Net carrying value	497,737	497,737
Movements in goodwill		
Carrying amount at the beginning of the year	497,737	337,941
Reversal of goodwill amortisation for the prior year	-	159,796
Closing net book balance	497,737	497,737

Company

	2018	2017
	£	£
Goodwill at cost	497,735	-
Accumulated impairment losses	-	-
	497,735	-
Movements in goodwill		
Carrying amount at the beginning of the year	-	-
Transfer from investments	497,735	-
Closing net book balance	497,735	-

10. **GOODWILL - continued**

Impairment tests for goodwill

Goodwill is allocated to the cash generating units (CGUs) identified according to business reporting unit (Operating Centre), on the basis of location of the business acquired. Management has determined that the business in the UK as a whole is a single CGU. The recoverable amount is the higher of value in use ("VIU") or fair value less costs to sell ("FVLCS").

In its impairment assessment the Group determines the recoverable amount based on a VIU calculation using cash flow projections based on financial budgets approved by management covering a one-year period and, where available, business forecasts of between 3-5 years. Cash flows beyond the budget or forecast period are extrapolated to 5 years using a long-term growth rate of 2.5%.

Cash flow projections are determined utilising the budgeted earnings before interest, tax, depreciation and amortisation (EBITDA), less capital maintenance spending and working capital changes, adjusted to exclude any uncommitted restructuring and acquisition integration costs and future benefits, to provide a "free cash flow" estimate. This is then discounted to its present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where impairment may be indicated a second valuation may be undertaken using FVLCS, the value that may be realised from divestment of a business.

Discount rates

Post-tax discount rates reflect the Group's estimate of the time value of money and risks specific to each CGU. In determining the appropriate discount rate for each CGU, consideration has been given to the estimated weighted average cost of capital (WACC) for the Group adjusted for country and business risks specific to that CGU, including benchmarking against relevant peer group companies. The post-tax discount rate is applied to post tax cash flows that include an allowance for tax based on the respective jurisdictions tax rate. This method is used to approximate the requirement of the account standards to apply a pre-tax discount rate to pre-tax cash flows. Pre-tax discount rate used was 9%.

Budgeted capital expenditure

The cash flows for capital expenditure are based on annually set budgets and past experience and the amounts included in the terminal year calculation are replacement of plant as it is retired from service.

Budget working capital

Working capital has been maintained to support the underlying business plus allowances for growth and has been assumed to be in line with the historic trends given the level of utilisation and operating activity.

CGU Impairment

VIU calculations have been performed using management views of short to medium term growth of gross revenue with a 2.5% long term rate.

11. PROPERTY, PLANT AND EQUIPMENT

Consolidated

	Short leasehold £	Improvements to property £	Plant and machinery £
COST			
At 1 July 2017	256,678	199,198	165,605
Additions	-	123,270	-
Disposals	(78,677)	-	-
At 30 June 2018	178,001	322,468	165,605
DEPRECIATION			
At 1 July 2017	87,366	96,745	153,647
Depreciation expense	20,665	39,497	4,370
Disposals	(16,954)	-	-
At 30 June 2018	91,077	136,242	158,017
NET BOOK VALUE			
At 30 June 2018	86,924	186,226	7,588
At 30 June 2017	169,312	102,453	11,958

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 July 2017	278,292	153,492	598,913	1,652,178
Additions	2,437	41,021	88,483	255,211
Disposals	-	(44,438)	-	(123,115)
At 30 June 2018	280,729	150,075	687,396	1,784,274
DEPRECIATION				
At 1 July 2017	242,092	108,827	537,175	1,225,852
Depreciation expense	6,258	6,594	26,093	103,477
Disposals	-	(34,490)	-	(51,444)
At 30 June 2018	248,350	80,931	563,268	1,277,885
NET BOOK VALUE				
At 30 June 2018	32,379	69,144	124,128	506,389
At 30 June 2017	36,200	44,665	61,738	426,326

11. PROPERTY, PLANT AND EQUIPMENT - continued

Company

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 July 2017	-	3,250	82,682
Additions	123,270	-	2,437
At 30 June 2018	123,270	3,250	85,119
DEPRECIATION			
At 1 July 2017	-	1,733	75,750
Depreciation expense	13,829	649	2,162
At 30 June 2018	13,829	2,382	77,912
NET BOOK VALUE			
At 30 June 2018	109,441	868	7,207
At 30 June 2017	-	1,517	6,932

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 July 2017	27,183	-	113,115
Additions	41,021	88,483	255,211
Disposals	(18,300)	-	(18,300)
At 30 June 2018	49,904	88,483	350,026
DEPRECIATION			
At 1 July 2017	22,372	-	99,855
Depreciation expense	1,981	9,573	28,194
Disposals	(18,300)	-	(18,300)
At 30 June 2018	6,053	9,573	109,749
NET BOOK VALUE			
At 30 June 2018	43,851	78,910	240,277
At 30 June 2017	4,811	-	13,260

12. INVESTMENTS

Company

	Shares in subsidiary entities £
COST	
At 1 July 2017	6,711,711
Transfer to goodwill	(497,735)
Impairments	(913,000)
At 30 June 2018	5,300,976
NET BOOK VALUE	
At 30 June 2018	5,300,976
At 30 June 2017	6,711,711

The following subsidiaries are exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act.

Direct subsidiaries

The following were direct subsidiaries of the Company:

Name	Class of shares	Holding	Principal Activity
Livingston Gunn Projects Limited	Ordinary	100%	Design and project management
George Hutchison Associates Limited	Ordinary	100%	Consulting engineers
Birkett Stevens Colman Partnership Limited	Ordinary	100%	Consulting engineers

Name	Registered office
Livingston Gunn Projects Limited	Same as parent company
George Hutchison Associates Limited	Same as parent company
Birkett Stevens Colman Partnership Limited	Same as parent company

As at the balance sheet date the Company assessed the carrying value of investments in subsidiaries. Where the combined value of the net assets of a subsidiary and the associated acquisition goodwill is less than the investment carrying value in the parent, management have reviewed the potential for future recovery of the investment value. There was a shortfall between the investment and net assets carrying value of Birkett Stevens Colman Partnership Limited ("BSCP") of £913,000. The business operations of BSCP have been transitioned into the operations of the Company as part of a rationalisation of the operations and structure of the broader GHD UK group and existing contracts of BSCP are in run-off mode. As a result, management and the directors considered it appropriate for the Company to make a provision for impairment against the investment carrying value of BSCP of £913,000. This provision does not impact the consolidated position of the GHD Livigunn consolidated group.

13. TRADE AND OTHER RECEIVABLES

	Consolidated		Company	
	2018	2017	2018	2017
	£	£	£	£
Current:				
Trade receivables	3,143,079	3,014,532	2,050,758	492,643
Amounts due from contract customers	1,168,428	654,271	832,938	50,497
Amounts receivable from common controlled entities (note 25)	1,867,878	2,053,026	455,680	990,271
VAT	-	-	-	16,146
	6,179,385	5,721,829	3,339,376	1,549,557

13. TRADE AND OTHER RECEIVABLES - continued

Trade receivables - consolidated

(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*
	£	£	£	£
30/06/2018	3,143,089	1,588,371	1,144,927	409,791
30/06/2017	3,014,532	1,531,420	913,058	570,054

* Past due not impaired ("PDNI")

All debtors aged over 90 days (2017: 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 - consolidated	2018	2017
	£	£
Contracts in progress at the end of the reporting period:		
Revenue earned less recognised losses of contracts in progress at the reporting date	27,226,004	17,881,698
Less progress billings	(26,108,311)	(18,039,462)
Net work in progress	1,117,693	(157,764)
Amounts due from contract customers included in trade and other receivables	1,168,428	654,271
Amounts due to contract customers included in trade and other payables	(50,735)	(812,035)
Net work in progress	1,117,693	(157,764)

Amounts receivable from common controlled entities - group

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

Trade receivables - company

(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*
	£	£	£	£
30/06/2018	2,050,758	1,128,109	810,772	111,877
30/06/2017	492,643	290,043	199,760	2,840

* Past due not impaired ("PDNI")
All debtors aged over 90 days (2017: 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.

13. TRADE AND OTHER RECEIVABLES - continued

Trade receivables – company 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.

Work in progress - company	2018	2017
	£	£
Contracts in progress at the end of the reporting period:		
Revenue earned less recognised losses of contracts in progress at the reporting date	7,355,705	4,192,628
Less progress billings	(6,522,767)	(4,163,258)
Net work in progress	832,938	29,370
Amounts due from contract customers included in trade and other receivables	832,938	50,497
Amounts due to contract customers included in trade and other payables	-	(21,127)
Net work in progress	832,938	29,370

Amounts receivable from common controlled entities - company

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

14. CASH AND CASH EQUIVALENTS

	Consolidated		Company	
	2018	2017	2018	2017
	£	£	£	£
Cash at bank and in hand	500	466	-	-
Bank accounts	320,663	444,102	188,045	93,717
	321,163	444,568	188,045	93,717

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
2,501,000	Ordinary	£1	2,501,000	2,501,000

16. RESERVES

Consolidated

	Retained earnings £
At 1 July 2017	2,111,759
Profit for the year	580,496
Defined benefit pension scheme actuarial gain	148,743
At 30 June 2018	2,840,998

Company

	Retained earnings £
At 1 July 2017	3,005,909
Loss for the year	(325,292)
At 30 June 2018	2,680,617

Retained earnings are the profits the business elects to keep within the Group after paying dividends to shareholders.

17. TRADE AND OTHER PAYABLES

	Consolidated		Company	
	2018 £	2017 £	2018 £	2017 £
Current:				
Trade payables	516,097	253,315	481,306	11,969
Amounts due to contract customers	50,735	812,035	-	21,127
Other payables and accruals	247,210	616,205	240,238	177,641
VAT	633,137	450,323	311,528	-
Amounts due to common controlled entities (note 25)	482,408	200,385	3,381,288	2,767,855
Other liabilities	224,402	-	82,973	-
	2,153,989	2,332,263	4,497,334	2,978,592

Consolidated

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 24 days (2017: 22 days). The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Trade 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.

Company

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 24 days (2017: 2 days). The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Trade payables to related parties are interest free 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.

18. LEASING AGREEMENTS

Group and Company had no financial lease commitments at year end.
Group future minimum rentals payable under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Land and buildings		
Not later than one year	235,767	213,869
After one year but not more than five years	1,064,661	1,038,238
After five years	425,119	639,458
	1,725,547	1,891,565
Plant and equipment		
Not later than one year	34,032	67,760
After one year but not more than five years	9,493	40,415
	43,525	108,175
Total	1,769,072	1,999,740

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

	2018	2017
	£	£
Land and buildings		
Not later than one year	-	-
After one year but not more than five year	-	-
	-	-
Plant and equipment		
Not later than one year	10,658	20,155
After one year but not more than five years	3,131	13,834
	13,789	33,989
Total	13,789	33,989

19. FINANCIAL INSTRUMENTS

(a) Financial instruments

The Group's principal financial instruments comprise receivables and payables. 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 Groups's maximum exposure to credit risk for such loans and receivables.

	2018	2017
	£	£
Financial assets		
Cash and cash equivalents	321,163	444,568
Trade and other receivables	6,179,385	5,721,829
	6,500,548	6,166,397
Financial liabilities held at amortised cost		
Trade and other payables	2,153,989	2,332,263
	2,153,989	2,332,263

(b) Financial risk management objectives and policies

The Group manages its exposure to key financial risks which are credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group 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 loans from common controlled entities. Ageing analyses are undertaken to manage credit risk (note 13). Liquidity risk is monitored through future cash flow forecasts.

19. **FINANCIAL INSTRUMENTS - continued**

(c) Risk exposures and responses

(i) Credit risk

Credit risk arises from cash and cash equivalents, trade and other receivables. The Group'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 Group trades only with recognised, creditworthy third parties. It is the Group'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 13). Receivable balances are monitored on an ongoing basis to minimise the Group's exposure to credit risk.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations as they fall due. Liquidity risk is monitored through future cash flow forecasts. The Group 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

At the end of the reporting period, the Group did not have any foreign currency receivables or payables.

(d) Capital management

(i) Risk management

The Group'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 Group may adjust the amount of dividends paid to shareholders or sell assets to reduce debt.

20. **PROVISIONS**

Consolidated	2018	2017
	£	£
Make good provision	113,472	192,602
Analysed as follows:		
Non-current	113,472	192,602

(a) Nature and purpose of provisions
Premises make good provision
The Group has legal obligations to "make good" certain of its operating leasehold premises on departure from those premises for which it makes provision in line with the accounting policy set out at note 3.

(b) Movements in provisions	2018	2017
Make good provision - non-current	£	£
Carrying amount at beginning of year	192,602	-
Additional provision recognised	7,417	192,602
Provision utilised or transferred out	(86,547)	-
Provision at year end	113,472	192,602

21. DEFERRED TAX

Consolidated

Non-current asset:	2018	2017
	£	£
Balance at beginning of year	48,507	42,260
(Charge)/credit directly to equity	(34,257)	6,247
Balance at end of year	14,250	48,507

The deferred tax asset relates to deferred tax on the defined benefit pension scheme.

Current liability:	2018	2017
	£	£
Balance at beginning of year	(21,029)	(19,378)
Unused losses at year end	13,847	-
Charge to statement of profit or loss and other comprehensive income	(2,177)	(1,651)
Balance at end of year	(9,359)	(21,029)

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

Company

Current liability:	2018	2017
	£	£
Balance at beginning of year	(2,033)	(5,287)
Unused losses at year end	13,847	-
(Charge)/credit to statement of profit or loss and other comprehensive income	(23,505)	3,254
Balance at end of year	(11,691)	(2,033)

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

22. EMPLOYEE BENEFIT OBLIGATIONS

One of the Group's subsidiaries, Birkett Stevens Colman Partnership Limited, operates a closed pension scheme providing benefits based on final pensionable pay. The defined benefit plans are administered by a separate fund that is legally separated from the Group.

The information disclosed has been prepared under IAS 19, complying with Technical Actuarial Standard 100 (Principles for Technical Actuarial Work) issued by the Financial Reporting Council Limited. As required under IAS 19, the liability valuation has been undertaken on the Projected Unit method.

The scheme is exposed to a number of risks, including:

- Investment risk: movement of discount rate used (high quality corporation denomination in the same currency as the post-employment benefit obligations) against the return from plan assets
- Interest rate risk: decreases/increases in the discount rate used (high quality corporate bonds) will increase/decrease the defined benefit obligation
- Longevity risk: changes in the estimation of mortality rates of current and former employees
- Salary risk: increases in future salaries increase the gross defined benefit obligation

Employees not participating in the defined benefit scheme are eligible to join a defined contribution scheme.

Funding levels are monitored on a triennial basis and the current agreed employer contribution rate is £20,000, which is based on the last triennial valuation as at 1 July 2016. In 2019, the Group expects to contribute £20,000 into its defined benefit pension scheme.

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

	Defined benefit pension plans	
The amounts recognised in the statement of financial position are as follows:	2018	2017
	£	£
Present value of funded obligations	(2,009,000)	(2,640,000)
Fair value of plan assets	1,933,700	2,384,700
	(75,300)	(255,300)
Present value of unfunded obligations	-	-
Deficit	(75,300)	(255,300)
Net liability	(75,300)	(255,300)

	Defined benefit pension plans	
The amounts recognised in profit or loss are as follows:	2018	2017
	£	£
Current service cost	17,000	16,000
Net interest from net defined benefit asset/liability	6,000	7,000
Past service cost	-	-
	23,000	23,000
Actual return on plan assets	118,000	358,000

	Defined benefit pension plans	
Changes in the present value of the defined benefit obligation are as follows:	2018	2017
	£	£
Opening defined benefit obligation	2,640,000	2,270,000
Interest cost	59,000	68,000
Benefits paid	(572,000)	(36,000)
Remeasurements:		
Actuarial losses/(gains) from changes in demographic assumptions	18,000	(81,000)
Actuarial (gains)/losses from changes in financial assumptions	(57,000)	379,000
Experience (gain)/loss	(79,000)	40,000
	2,009,000	2,640,000

	Defined benefit pension plans	
Changes in the fair value of scheme assets are as follows:	2018	2017
	£	£
Opening fair value of scheme assets	2,384,700	2,058,700
Contributions by employer	3,000	4,000
Interest income	53,000	61,000
Benefits paid	(572,000)	(36,000)
Return on plan assets (excluding interest income)	65,000	297,000
	1,933,700	2,384,700

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
Changes in the present value of the defined benefit obligation are as follows:	2018	2017
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	(18,000)	81,000
Actuarial losses/(gains) from changes in financial assumptions	57,000	(379,000)
Experience (gain)/loss	79,000	(40,000)
Return on plan assets (excluding interest income)	65,000	297,000
Deferred taxation	(34,257)	6,247
	148,743	(34,753)

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Equities	1,490,000	1,844,000
Bonds	262,000	358,000
Property	89,000	99,000
Cash	92,700	83,700
	1,933,700	2,384,700

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2018	2017
Discount rate	2.60%	2.50%
RPI inflation assumption	3.20%	3.20%
Pension revaluation deferment	2.40%	2.50%
Pension increases in payment	3.20%	3.30%

The assumptions for mortality before and after retirement are based on the most up to date tables produced by the Continuous Mortality Investigation Committee. Where they are different, the assumptions used in the 30 June 2017 disclosures are shown in brackets.

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

The demographic assumptions used are:

Commutation	25% of pension will be commuted for cash
Transfers	None. All members who already have benefits preserves in the Scheme are assumed to remain deferred pensioners in the Scheme until the date of their normal retirement or earlier death
Retirement age	All members retire at their normal retirement age
Members over Normal Retirement Age	Retire at the valuation date.
Mortality before retirement	In accordance with mortality tables S2PMA for males and S2PFA for females, using the CMI 2016 projection model with a long term rate of improvement of 1.25% pa. (In accordance with mortality tables S2PMA for males and S2PFA for females, using the CMI 2016 projection model with a long term rate of improvement of 1% pa).
Mortality after retirement	In accordance with mortality tables S2PMA for males and S2PFA for females, using the CMI 2016 projection model with a long term rate of improvement of 1.25% pa. (In accordance with mortality tables S2PMA for males and S2PFA for females, using the CMI 2016 projection model with a long term rate of improvement of 1% pa).
Marital Status	80% of males and 70% of female members will be eligible for a spouse's pension at retirement, and husbands will be three years older than their wives. For pensioners paid from fund, the actual spouse's details have been used where known.

Defined benefit obligation - sensitivity analysis
The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumptions constant, is presented in the table below:

Actuarial assumption	Change in assumption	Change in liabilities
Discount rate	Decrease by 0.5%	Increase by 10%
Rate of inflation	Increase by 0.5%	Increase by 5%
Life expectancy	Increase by 1 year	Increase by 3%

23. ULTIMATE PARENT COMPANY

Gutteridge Haskins & Davey Limited is the immediate parent company as at the balance sheet date. The smallest group of undertakings for which group accounts have been drawn up as at 30 June 2018 is that headed by Gutteridge Haskins & Davey Limited, a company registered in England and Wales, registered address Level 1, Building 49, Thornton Science Park, Pool Lane, Chester, CH2 4NU. The consolidated financial statements of Gutteridge Haskins & Davey Limited have been filed with the Registrar of Companies (England and Wales), and are available from Registrar of Companies (England and Wales), Companies House, Crown Way, Cardiff, CF 14 3UZ. The largest group of undertakings for which group accounts have been drawn up as at 30 June 2018 is that headed by GHD Group Pty Ltd, a company registered in Australia, address Level 15, 133 Castlereagh St, Sydney NSW 2000, Australia.

GHD Group Pty Ltd is the ultimate parent company and ultimate controlling party as at the balance sheet date. 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.

24. CAPITAL COMMITMENTS AND CONTINGENCIES

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

25. RELATED PARTY DISCLOSURES

Consolidated

During the period the Group 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 2018 with other related parties, are as follows.

Related party	Sales to related party £	Amounts owed by related party £	Amounts owed to related party £
Common controlled entities	2,361,738	1,867,878	489,221

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 £
Common controlled entities	-	2,053,026	200,385

Company

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 2018 with other related parties, are as follows.

Related party	Sales to related party £	Amounts owed by related party £	Amounts owed to related party £
Common controlled entities	188,267	168,750	1,604,028
Subsidiary	-	286,930	1,777,260

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 £
Common controlled entities	-	990,271	-
Subsidiary	5,001,293	-	2,767,855

26. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2018 that has significantly affected or may significantly affect:

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

GHD LIVIGUNN LIMITED (REGISTERED NUMBER: 05661240)

COMPANY INCOME STATEMENT SUMMARIES (UNAUDITED)
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	£	£
REVENUE		
Sales	14,684,678	1,956,000
Contracts	-	2,265,998
	14,684,678	4,221,998
COST OF SALES		
Direct costs	612,334	2,238,672
Contract labour	689,660	-
Wages	7,571,756	-
Social security	630,304	-
Pension contributions	207,276	-
	9,711,330	2,238,672
OTHER OPERATING INCOME		
Exchange gains	10,313	-

GHD LIVIGUNN LIMITED (REGISTERED NUMBER: 05661240)

COMPANY INCOME STATEMENT SUMMARIES (UNAUDITED)
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	£	£
ADMINISTRATIVE EXPENSES		
Establishment costs		
Rent	136,840	-
Rates and service charges	32,371	406
Insurance	103,363	119,304
Light and heat	12,283	975
Administrative expenses		
Directors' salaries	107,670	676,300
Directors' social security	13,273	76,238
Directors' pension contributions	10,000	27,000
Wages	61,993	402,179
Social security	12,380	140,714
Pensions	22,829	93,252
Telephone	24,596	18,548
Post and stationery	26,540	5,139
Advertising	16,651	36,560
Travel and accommodation	46,464	48,059
Motor expenses	27,188	23,616
Computer expenses	127,880	141,217
Repairs and renewals	6,615	3,279
Household and cleaning	2,405	-
Staff training	36,358	7,772
Sundry expenses	94,440	744
Subscriptions and course fees	62,280	31,630
Recruitment costs	8,225	6,190
Entertaining	13,524	1,289
Accountancy	4,009	26,220
Management charges	3,106,898	-
Legal and professional fees	19,638	27,012
Other expenses	73,589	-
Auditor's remuneration	16,425	-
Donations	867	894
Finance costs		
Bank charges	4,775	4,032
Depreciation		
Improvements to property	13,829	-
Plant and machinery	649	650
Fixtures and fittings	2,162	16,382
Motor vehicles	1,981	2,222
Computer equipment	9,573	-
Profit/loss on sale of assets		
Motor vehicles	(9,000)	-
Computer equipment	-	(916)
	4,251,563	1,936,907
EXCEPTIONAL ITEMS		
Impairment of investment	913,000	-
FINANCE INCOME		
Dividends received	-	1,500,000