

## **Gutteridge Haskins & Davey Limited**

### **Annual Report and Financial Statements**

30 June 2016

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## GENERAL INFORMATION

### Directors

M Ingram (Appointed 31.03.2016)  
C Stockton (Appointed 18.11.2016)  
J Dutton (Resigned 18.11.2016)  
A Wright (Resigned 31.03.2016)

### Company Secretary

M Jennings (Appointed 18.11.2016)  
L M Elbourne

### Registered Office

4 Innovation Close  
York Science Park  
York YO10 5ZF

### Solicitor

Langleys  
Queen Street  
Micklegate  
York  
YO1 6WG

### Bankers

HSBC  
Leeds Branch Office  
33 Park Row  
Leeds LS11LD

### Auditor

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

## DIRECTORS' REPORT

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

### DIRECTORS

The names of the directors in office at any time during or since the end of the year are:

J Dutton

A Wright

M Ingram

C Stockton

### PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an international professional services company providing leadership in management, engineering, the environment, planning and architecture.

### RESULTS OF OPERATIONS

The profit after tax of the Company for the reporting period was £1,695,542 (2015: £956,339).

### DIVIDENDS

No dividends have been declared or paid by the Company (2015: none).

### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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

### AUDITOR

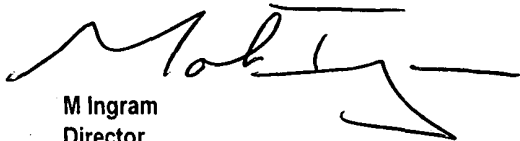
Each of the persons who are a director at the date of approval of this annual report confirms that:

- (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.

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.



M Ingram  
Director

Date: 29 March 2017

## STRATEGIC REPORT

The directors, in preparing this strategic report, have complied with S414C of the Companies Act 2006.

### REVIEW OF BUSINESS

There was a £1,076,671 increase in gross sales revenue for the year to £6,742,397 (2015: £5,665,726). Net profit for the year was £1,695,542 (2015: £956,339), which includes £3,060,334 dividend income (2015: £1,500,000) from GHD Livgunn Limited.

2015/16 was a challenging year for Gutteridge Haskins and Davey Ltd (GHD). Being particularly focused on the rail sector, the moratorium on rail projects spending in the run up to and post general election in 2015 turned the work supply taps down. This impacted on the work availability, particularly utilisation and margin given a more competitive environment driving selling rates down.

During FY16, we continued to secure work packages from our existing frameworks, in particular, with Transport for London in the areas of Rail Engineering, Project and Programme Management and Transport Planning, and the Network Rail - LEAN Framework.

In May 2015 the business successfully completed a transaction to acquire the ownership of GHD Livgunn Limited. This acquisition has allowed the UK business to operate across a broader range of sectors and has provided capability in the Energy & Resources, Property and Buildings and Water sectors. This has complemented the existing Transportation and Environment capability. The ongoing integration program has progressed in FY16, with a substantial project to bring a common accounting and finance system into the UK business, as a precursor to a global roll out. The target date for the new financial system is July 2017.

Our strategy continues to remain robust, and FY17 will see significant growth of the UK business operations. This will provide a platform for further growth over the coming financial years. During FY15 the business launched its 2020 strategy and the UK business will now focus its efforts on the delivery of the business objectives contained within the 2020 strategy documentation.

The cash position of the Company has increased from £107,053 at 30 June 2015 to £757,352 at 30 June 2016 primarily due to advances received from related entities.

As at 30 June 2016, the Company had net assets of £11,826,961 (2015: net assets £10,131,419) and accumulated losses of £6,446,774 (2015: £8,142,316).

### KEY PERFORMANCE INDICATORS

	2016	2015
Sales revenue	£6,742,397	£5,665,726
Gross margin % <sup>(1)</sup>	3.8%	10.9%
EBITDA <sup>(2)</sup>	(£1,266,463)	(£444,719)
Net profit	£1,695,542	£956,339
Utilisation	57%	64%
Invoice efficiency	74%	71%

<sup>(1)</sup> Being sales revenue less direct employee cost and job related disbursement, divided by sales revenue, expressed as a percentage.

<sup>(2)</sup> Being net loss before finance costs, tax, depreciation and impairment of goodwill and dividend income.

Gross margin and EBITDA have both declined as there has been a substantial increase in jobs being delivered by sub-consultants leading to an increase in job related disbursements of 74%. With this sharp rise in the involvement of sub-consultants, the internal utilisation has suffered. Another reason for the drop in utilisation is that the business diversified to include a Power offering which commenced in January 2016. Due to this being a new offering in the UK market, the team spent the initial months heavily on recruitment, business development and training which also contributed to a drop in overall utilisation.

During the year, the business also increased its spend on professional and consultancy services relating to acquisitions and business developments, and experienced a £206k net foreign exchange movement to a gain of £88k in 2016 compared to a gain of £294k in 2015.

## STRATEGIC REPORT (continued)

### PRINCIPAL RISKS & UNCERTAINTIES

The acquisition of GHD Livigunn Limited has brought with it a number of activities that require a focussed approach to ensure that any risks to business performance are managed. These include the development of a new project/financial management system, rebranding activities, organisational restructuring, estates rationalisation and systems integration.

The Company will continue to drive diversification and build deeper capability and a more extensive geographical UK coverage. GHD opened a new office in Newcastle in FY16, focused on opportunities within the power sector.

Developing enhanced capability within the expanded capability and enhancing our geographical footprint, supported by a specific UK focus on client engagement, will allow a suitable strategy to be developed around the most appropriate mix of public and private investment in projects within the combined business.

### GOING CONCERN

As at 30 June 2016, the Company had net assets of £11,826,961 (2015: net assets £10,131,419) and accumulated losses of £6,446,774 (2015: £8,142,316). 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.

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



M Ingram  
Director

Date: 29 March 2017

## DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report, Strategic 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 (IFRS) as adopted by the European Union and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT to the members of Gutteridge Haskins & Davey Limited

We have audited the financial statements of Gutteridge, Haskins & Davey Limited for the year ended 30 June 2016, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement 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.

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.

### Respective responsibilities of directors and auditor

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 annual 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 implication 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 profit 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.

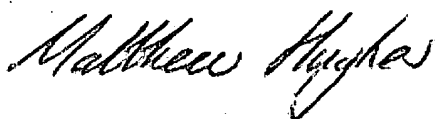
### Opinion on other matter prescribed by the Companies Act 2006

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

### 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.



Matthew Hughes BSc (Hons) ACA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds, UK  
30 March 2017



## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Notes	2016 £	2015 £
<b>Revenue</b>	5	9,802,731	7,165,726
Other income		87,992	-
Job related disbursements		(2,524,440)	(1,451,297)
Employee costs	8	(4,371,793)	(3,896,787)
Depreciation of plant and equipment	6,13	(98,329)	(96,502)
Recruitment and training		(57,811)	(52,167)
Occupancy costs		(339,842)	(285,737)
Travelling costs		(134,941)	(91,263)
Finance costs	6	-	(2,440)
Services charges		(167,159)	(223,279)
Other expenses		(500,866)	(109,915)
<b>Profit before income tax expense</b>		<b>1,695,542</b>	<b>956,339</b>
Tax	10	-	-
<b>Profit and other comprehensive income attributable to the members of the Company</b>		<b>1,695,542</b>	<b>956,339</b>

All amounts relate to continuing operations.

The accompanying notes are an integral part of this statement of comprehensive income.

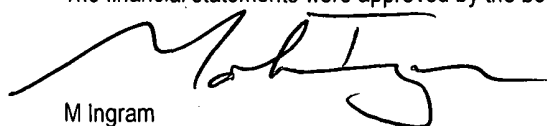
## STATEMENT OF FINANCIAL POSITION

At 30 June 2016

	Notes	2016 £	2015 £
<b>NON CURRENT ASSETS</b>			
Investment in subsidiaries	14	11,872,480	9,167,940
Other receivables	11	136,493	-
Intangible assets	15	913,337	913,337
Plant and equipment	13	227,203	147,531
<b>Total non-current assets</b>		<b>13,149,513</b>	<b>10,228,808</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	21(a)	757,352	107,053
Trade and other receivables	11	3,271,331	3,422,188
Prepayments		169,209	117,633
<b>Total current assets</b>		<b>4,197,892</b>	<b>3,646,874</b>
<b>TOTAL ASSETS</b>		<b>17,347,405</b>	<b>13,875,682</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	2,325,142	2,867,597
Provisions	17	42,622	57,620
Borrowings	18	41,998	-
Other liabilities	19	6,188	15,471
<b>Total current liabilities</b>		<b>2,415,950</b>	<b>2,940,688</b>
<b>NON CURRENT LIABILITIES</b>			
Trade and other payables	16	300,000	300,000
Provisions	17	82,292	82,292
Borrowings	18	2,722,202	421,283
<b>Total non-current liabilities</b>		<b>3,104,494</b>	<b>803,575</b>
<b>TOTAL LIABILITIES</b>		<b>5,520,444</b>	<b>3,744,263</b>
<b>NET ASSETS</b>		<b>11,826,961</b>	<b>10,131,419</b>
<b>SHAREHOLDER'S EQUITY</b>			
Share capital	20	15,500,000	15,500,000
Other reserves		2,773,735	2,773,735
Accumulated losses		(6,446,774)	(8,142,316)
<b>TOTAL EQUITY</b>		<b>11,826,961</b>	<b>10,131,419</b>

The accompanying notes are an integral part of this statement of financial position.

The financial statements were approved by the board, and authorised for issue, on 29 March 2017 and signed off on its behalf by

  
M Ingram  
Director

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	Notes	Share capital £	Other reserves £	Accumulated losses £	Total £
Balance at 1 July 2015		15,500,000	2,773,735	(8,142,316)	10,131,419
Profit for the year		-	-	1,695,542	1,695,542
<b>Balance at 30 June 2016</b>		<b>15,500,000</b>	<b>2,773,735</b>	<b>(6,446,774)</b>	<b>11,826,961</b>
Balance at 1 July 2014		10,000,000	2,323,623	(9,098,655)	3,224,968
Issue of ordinary shares	20	5,500,000	-	-	5,500,000
Other reserve		-	450,112	-	450,112
Profit for the year		-	-	956,339	956,339
<b>Balance at 30 June 2015</b>		<b>15,500,000</b>	<b>2,773,735</b>	<b>(8,142,316)</b>	<b>10,131,419</b>

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	Notes	2016 £	2015 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		7,766,028	5,480,601
Payments to suppliers and employees		(8,385,071)	(5,509,221)
Interest paid		-	(2,440)
VAT paid to tax authorities		(652,139)	(776,292)
<b>Net cash used in operating activities</b>	21(b)	<b>(1,271,182)</b>	<b>(807,352)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for investments		(204,540)	(557,560)
Purchase of plant and equipment		(178,001)	(16,039)
Payment for prior years acquisition deferred settlement		(1,612,125)	-
Proceeds from sale of plant and equipment		-	454
<b>Net cash used in investing activities</b>		<b>(1,994,666)</b>	<b>(573,145)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Decrease in amounts due from related entities		3,916,163	1,228,980
Loans advance to shareholders		(209,991)	-
Repayments received on shareholder loans		31,500	-
Repayment of borrowings – vendor loans for shareholders		(31,500)	-
Proceeds from borrowings – vendor loans for shareholders		209,975	-
<b>Net cash provided by financing activities</b>		<b>3,916,147</b>	<b>1,228,980</b>
Net increase/(decrease) in cash and cash equivalents held		650,299	(151,517)
Cash and cash equivalents at the beginning of the financial year		107,053	258,570
<b>Cash and cash equivalents at the end of the financial year</b>	21(a)	<b>757,352</b>	<b>107,053</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENTS OF COMPLIANCE WITH IFRS

The financial statements of Gutteridge Haskins & Davey Limited ('the Company') for the year ended 30 June 2016 were authorised for issue by the board of directors on 29 March 2017. Gutteridge Haskins & Davey 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, planning and architecture. 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. SUMMARY OF SIGNIFICANT 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. The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of GHD Group Pty Ltd, a company registered in Australia, and is included in the consolidated financial statements of that company.

#### **Going concern**

As at 30 June 2016, the Company had net assets of £11,826,961 (2015: net assets £10,131,419) and accumulated losses of £6,446,774 (2015: £8,142,316). 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.

#### **Changes in accounting policy**

The accounting policies adopted are consistent with those of the previous financial year.

#### **(a) 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.

#### **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.

#### **Dividend and interest income**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest on bank accounts is recognised as receivable.

#### **(b) Taxes**

##### **Current Tax**

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Taxes (continued)

##### **Deferred tax**

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 each reporting period 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 period 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.

#### (c) Operating leases

The Company has entered into commercial property leases. The leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Incentives received at the beginning of the operating lease are recognised as liabilities. The aggregate benefits of incentives are recognised as reduction of rental expense on a straight line basis over the lease term. Lease payments relating to free rental periods are allocated between rental expense and increase of the asset.

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.

#### (d) 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 the statement of comprehensive income.

#### (e) Plant and equipment

Plant and equipment is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment 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:

- Plant and equipment - 3 to 5 years
- Leasehold improvements - 5 years

#### (f) Cash and cash equivalents

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

#### (g) 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.

#### (h) 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 fair values 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.

#### (i) Investments

Non-current asset investments in subsidiary undertakings are initially stated at cost, being the fair value of the consideration given. Investments are reviewed annually to determine if an indication of impairment exists. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (j) 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.

#### (k) Provisions

Provisions are recognised when the Company 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. 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.

#### (l) 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 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.

#### (m) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method

### 3. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

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

In the current financial year, 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 2015. The adoption of these 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)*

	<i>Effective date</i>
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

The directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the period of initial application.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

#### Estimates and assumptions

Estimates and judgments 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:

#### Estimated impairment of cash generating units, including goodwill

The Company tests at the end of each reporting period whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2(j). 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 15 for details of these assumptions and the potential impact of changes to the assumption.

#### 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 £231,516 (2015: £204,023). Refer to Note 12.

#### Judgement

In the process of applying the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the financial statements:

#### Taxes

The Company recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. At 30 June 2016, the unrecognised deferred tax asset was £1,108,074 (2015: £1,247,632). Refer to Note 10.

### 5. REVENUE

#### Sales revenue

Professional services

#### Other revenue

Dividend income

2016 £	2015 £
6,742,397	5,665,726
3,060,334	1,500,000
<b>9,802,731</b>	<b>7,165,726</b>

### 6. PROFIT BEFORE TAX

*This is stated after charging*

Depreciation of plant and equipment (note 13)

Interest expense – other

Net foreign exchange gains

Auditor's remuneration (note 7)

Operating lease cost: buildings

98,329	96,502
-	2,440
(87,992)	(293,702)
33,260	32,276
243,155	189,326

### 7. AUDITOR'S REMUNERATION

The Company paid the following amounts to its auditor in respect of the audit of the financial statements and other services provided to the Company:

Fees payable to the Company's auditor for the audit of the financial statements

Non audit fees – taxation services

28,080	28,916
5,180	3,360
<b>33,260</b>	<b>32,276</b>

### 8. EMPLOYEE COSTS

Wages and salaries

National Insurance

Pension costs

Employee benefits

Other staff costs

3,686,202	3,297,422
421,893	386,417
276,036	224,998
(14,143)	(13,234)
1,805	1,184
<b>4,371,793</b>	<b>3,896,787</b>



**NOTES TO THE FINANCIAL STATEMENTS****8. EMPLOYEE COSTS (continued)**

	2016 No.	2015 No.
The average number of employees during the year, including directors, was as follows:		
Directors <sup>1</sup>	2	2
Professional staff	50	44
Support staff	9	8
	<b>61</b>	<b>54</b>

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

**9. REMUNERATION OF DIRECTORS**

	2016 £	2015 £
Directors' emoluments	140,500	132,500
Contributions to defined contribution pension schemes	8,430	7,950
	<b>148,930</b>	<b>140,450</b>

The amounts are for the period during which directors are in office. Ashley Wright and Mark Ingram are also directors of related entities. Their emoluments and pension costs are disclosed in the financial statements of those entities and it is not possible to split the remuneration between the entities, hence no recharge is made. At 30 June 2016, one UK based director was in a defined contribution pension scheme (2015: one).

**10. TAX**

	2016 £	2015 £
The factors affecting the current tax for both the current and prior year are explained below:		
Profit before tax	<b>1,695,542</b>	<b>956,339</b>
Tax on the profit at the UK average corporate tax rate of 20% <sup>1</sup> (2015: 20.75%)	339,109	198,440
Expenses not deductible for tax purposes	11,707	4,382
Income not taxable	(612,067)	(311,250)
Capital allowances deferred	-	19,194
Short term timing differences	(3,782)	3,409
Tax losses utilised	265,033	93,398
Utilisation of carry forward tax losses not previously recognised	-	(7,573)
<b>Tax</b>	<b>-</b>	<b>-</b>

At 30 June 2016 there was a potential deferred tax asset of £1,108,074 (2015: £1,247,632) 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.

1. The Finance Act 2013, which was substantively enacted in July 2013, included provisions to reduce the main rate of UK corporation tax to 21% effective from 1 April 2014 and 20% with effect from 1 April 2015. 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 at 30 June 2016.

## NOTES TO THE FINANCIAL STATEMENTS

### 11. TRADE AND OTHER RECEIVABLES

	2016 £	2015 £
<b>CURRENT</b>		
Trade debtors	1,161,960	930,215
Amounts due from contract customers (note 12)	323,869	245,492
Amounts receivable from controlled entities <sup>1</sup> (note 24)	901,954	1,500,000
Amounts receivable from common controlled entities <sup>1</sup> (note 24)	786,645	703,151
Interest bearing receivables – related parties (note 24)	41,998	-
Other debtors	54,905	43,330
	<b>3,271,331</b>	<b>3,422,188</b>
<b>NON CURRENT</b>		
Interest bearing receivables – related parties (note 24)	<b>136,493</b>	-

<sup>1</sup> Intercompany receivables are held as current on trading account for a period of less than 12 months, are unsecured and interest free.

#### (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 30 June, the ageing analysis of trade receivables is as follows:

	Total	0-30 Days	31-90 Days PDNI*	+ 91 Days PDNI*
	£	£	£	£
2016	1,161,960	544,800	595,197	21,963
2015	930,215	415,609	489,827	24,779

\* Past due not impaired ("PDNI")

No provision for bad debts has been made in 2016 or 2015. 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.

### 12. 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	5,479,414	2,467,282
Less progress billings	(5,247,898)	(2,263,259)
Net work in progress	<b>231,516</b>	<b>204,023</b>
Amounts due from contract customers included in trade and other receivables	323,869	245,492
Amount due to contract customers included in trade and other payables	(92,353)	(41,469)
Net work in progress	<b>231,516</b>	<b>204,023</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 13. PLANT AND EQUIPMENT

	Leasehold improvement £	Plant and equipment £	Total £
<i>Cost</i>			
At 1 July 2014	252,471	355,646	608,117
Additions	-	16,039	16,039
Disposals	-	(1,180)	(1,180)
At 30 June 2015	252,471	370,505	622,976
Additions	-	178,001	178,001
At 30 June 2016	252,471	548,506	800,977
<i>Depreciation</i>			
At 1 July 2014	164,028	215,641	379,669
Provided during the year	39,163	57,339	96,502
Disposals	-	(726)	(726)
At 30 June 2015	203,191	272,254	475,445
Provided during the year	39,293	59,036	98,329
At 30 June 2016	242,484	331,290	573,774
Net book value at 30 June 2016	9,987	217,216	227,203
Net book value at 30 June 2015	49,280	98,251	147,531

### 14. INVESTMENTS IN SUBSIDIARIES

	2016 £	2015 £
Investment in GHD Livigunn Limited	11,362,480	8,657,940
Investment in GHD Environment Limited	510,000	510,000
	<b>11,872,480</b>	<b>9,167,940</b>

On 22 May 2015, the Company acquired all outstanding shares in GHD Livigunn Limited, a company incorporated in England and Wales. GHD Livigunn Limited is a professional services company providing project management and technical advice within Property & Buildings, Water and Energy resources sectors. The purchase price was £8,657,940 with consideration being £3,700,000 cash, £2,500,000 in the form of equity shares in GHD Group Pty Ltd, the Company's ultimate parent company and a deferred cash settlement of £2,457,940.

On 29 June 2016, the Company was issued 2,500,000 additional shares in GHD Livigunn Limited at £1 each. £204,540 adjustment in accordance with IFRS 3 Business Combination.

On 30 March 2015, the Company acquired all outstanding the shares of GHD Environment Limited from a common controlled entity, GHD Holdings (Canada) Inc. for a consideration of £60,000, immediately followed by an additional capital injection of £450,000. GHD Environment Limited is a company registered in England and Wales. It is a professional service company providing environmental consultancy services.

### 15. INTANGIBLE ASSETS

	2016 £	2015 £
Goodwill at cost	1,523,177	1,523,177
Less impairment	(609,840)	(609,840)
	<b>913,337</b>	<b>913,337</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. INTANGIBLE ASSETS (continued)

#### (b) 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 Company 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 1%.

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 Company'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. Post-tax discount rate used was 10%.

#### 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 1% long term rate.

### 16 TRADE AND OTHER PAYABLES

	2016 £	2015 £
<b>CURRENT</b>		
Trade payables	282,026	68,762
Amounts due to contract customers (note 12)	92,353	41,469
Amount payable to ultimate parent entity <sup>1</sup> (note 24)	365,363	116,424
Amount payable to controlled entities <sup>1</sup> (note 24)	374,171	-
Amount payable to common controlled entities <sup>1</sup> (note 24)	38,875	73,143
Deferred settlement on acquisition	545,815	2,157,940
Other payables	626,539	409,859
	<b>2,325,142</b>	<b>2,867,597</b>
<b>NON CURRENT</b>		
Deferred settlement on acquisition	<b>300,000</b>	<b>300,000</b>

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 29 days (2015: 13 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 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.

The deferred settlement on acquisition is expected to be extinguished by 30 June 2018.

<sup>1</sup> Intercompany payables are held as current on trading account or are working capital advances for a period of less than 12 months, are unsecured and do not incur any interest.

## NOTES TO THE FINANCIAL STATEMENTS

	2016 £	2015 £
<b>17. PROVISIONS</b>		
<b>CURRENT</b>		
Employee benefits	42,622	57,620
<b>NON CURRENT</b>		
Make good provision	82,292	82,292
<b>(a) Nature and purpose of provisions</b>		
<b>Employee benefits</b>		
This is the Company's annual leave liability based on salary hourly rate with national insurance cost factored in. Annual leave entitlement is normally utilised within 12 months.		
<b>Premises make good</b>		
The Company has legal obligations to "make good" certain of its leasehold premises for which it makes provision in line with the accounting policy set out at note 2. The provision is expected to be utilised by 30 June 2017.		
<b>(b) Movements in provisions</b>	2016 £	2015 £
<b>Employee benefits – current</b>		
Carrying amount at beginning of year	57,620	66,176
Additional provision recognised	444,929	390,986
Provision utilised or transferred out	(459,927)	(399,542)
Provision at year end	42,622	57,620
<b>Premises make good – non current</b>		
Carrying amount at beginning of year	82,292	82,292
Provision at year end	82,292	82,292
<b>18. BORROWINGS</b>		
<b>CURRENT</b>		
<b>Unsecured</b>		
Other interest bearing liabilities	41,998	-
<b>NON CURRENT</b>		
<b>Unsecured</b>		
Other interest bearing liabilities	136,477	-
Loans from common controlled entities – GHD Finance Pty Ltd (note 24)	2,585,725	421,283
	2,722,202	421,283
The loans from GHD Finance Pty Ltd are unsecured. The Company must repay each loan within 366 days of demand by the lender. Refer to Note 23 (c) (iii) on interest rate. It is not due to be settled within 12 months after the reporting period.		
<b>19. OTHER LIABILITIES</b>		
<b>CURRENT</b>		
Lease incentive	6,188	15,471
<b>20. SHARE CAPITAL AND RESERVES</b>		
<b>Authorised</b>		
15,500,000 (2015: 15,500,000) ordinary shares of £1 each	15,500,000	15,500,000
<b>Issued and fully paid</b>		
15,500,000 (2015: 15,500,000) ordinary shares of £1 each	15,500,000	15,500,000

## NOTES TO THE FINANCIAL STATEMENTS

### 20. SHARE CAPITAL AND RESERVES (continued)

Other reserves represents a discretionary trust distribution from Bond Street Trust (an Australian trust). The Company was nominated by its parent company, GHD Group Pty Ltd, as an income beneficiary of the Bond Street Trust.

### 21. NOTES TO THE STATEMENTS OF CASH FLOW

#### (a) RECONCILIATION OF CASH

For the purpose of the statement of cash flows, cash includes cash on hand and in banks, net of any outstanding bank overdraft. The carrying amount of these assets is approximately equal to their fair value. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position are as follows:

	2016 £	2015 £
Cash and cash equivalents	757,352	107,053

#### (b) RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO PROFIT OR LOSS AFTER TAX

Profit after tax	1,695,542	956,339
Adjustments for non-cash and non-operating items:		
Dividend income	(3,060,334)	(1,500,000)
Depreciation	98,329	96,502
Unrealised foreign exchange profit related to non-operating items	(87,992)	-
Changes in operating assets and liabilities		
Increase in receivables and prepayments	(348,803)	(307,239)
Increase/(decrease) in payables	432,076	(52,954)
Net cash flows used in operating activities	(1,271,182)	(807,352)

### 22. COMMITMENTS AND CONTINGENCIES

#### (a) OPERATING LEASE COMMITMENTS

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

##### *Buildings*

Not later than one year	92,080	168,460
After one year but not more than five years	-	75,729
	92,080	244,189

#### (b) CAPITAL COMMITMENTS AND CONTINGENCIES

There is no capital commitment or contingent liability at the balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS

### 23. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND RISK MANAGEMENT

#### (a) FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise receivables, payables and borrowings. 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
	£	£
<b>Financial assets</b>		
Cash and cash equivalents	757,352	107,053
Trade and other receivables	3,407,824	3,422,188
	<b>4,165,176</b>	<b>3,529,241</b>
<b>Financial liabilities</b>		
Trade and other payables	2,625,142	3,167,597
Borrowings	2,764,200	-
	<b>5,389,342</b>	<b>3,167,597</b>

#### (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 loans from a common controlled entities. Ageing analyses is undertaken to manage credit risk (note 11). 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 11). 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

At the end of the reporting period, the Company did not have any foreign currency receivable. The Company's borrowings are in Great British Pounds. £126,455 (2015: £610,849) included within payables and receivables to related parties were in currencies other than Great British Pounds.

The Company's foreign currency exposure arises mainly from exchange rate movements of the Australian dollar against the Great British Pounds. The Company does not enter into financial derivatives to manage its foreign exchange risk.

A sensitivity analysis was carried out and should the Great British Pounds weaken/strengthen by +/-10%, the impact on the statement of comprehensive income would be £12,646 (2015: £61,084). The 10% is the change in foreign exchange rates that management deems reasonably possible.

##### Interest Rate Risk

The Company's exposure to market interest rates relates primarily to the Company's borrowings (refer note 18). Interest rate of a loan from a common controlled entity, GHD Finance Pty Ltd, is fixed, which is the aggregate of the benchmark rate, which is the three-month Sterling LIBOR published by the British Bankers Association on the draw down date, plus two and a half percent risk margin. Interest to be charged by GHD Finance Pty Ltd for 2016 is £28,800 (2015: nil or £5,682 if not waived).

## NOTES TO THE FINANCIAL STATEMENTS

### 24. RELATED PARTY TRANSACTIONS

During the year 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 9 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 £
Ultimate parent entity	-	-	365,363	-	-
Common controlled entities	349,749	786,645	2,624,000	2,164,442	-
Subsidiary	-	901,954	374,171	-	-
Shareholders	-	178,491	-	-	-

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 £
Ultimate parent entity	-	-	116,424	-	-
Common controlled entities	71,934	703,151	494,425	421,283	-
Subsidiary	-	1,500,000	-	-	-

#### PARENT ENTITY

The ultimate parent entity of the Company is GHD Group Pty Ltd and the immediate parent is GHD Holdings (UK) Ltd. For amounts receivable from and payable to members of the wholly owned Group, refer to notes 11 and 16.

### 25. PARENT UNDERTAKING

The immediate parent company is GHD Holdings (UK) Pty Ltd, a company registered in Australia. The ultimate parent company and controlling party is GHD Group Pty Ltd, a company registered in Australia. Copies of GHD Group Pty Ltd & Controlled Entities Consolidated Financial Statement can be obtained on application to the Company Secretary, Level 15, 133 Castlereagh St, Sydney, NSW 2000, Australia.

At the year end, GHD Group Pty Ltd was the parent company of the largest and smallest group of which the Company is a member and for which consolidated financial statements are drawn up.

### 26. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

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