

Gutteridge Haskins & Davey Limited

Financial Statements

30 June 2014

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GENERAL INFORMATION

Directors

J Dutton
Ashley Wright

Company Secretary

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 2014.

DIRECTORS

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

J Dutton

P Duthie Resigned on 26 November 2014

Ashley Wright Appointed on 26 November 2014

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 loss after tax of the Company for the reporting period was £1,389,236 (2013: £1,013,379).

DIVIDENDS

No dividends have been declared or paid by the Company.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 1 July 2014, the ultimate parent company GHD Group Pty Ltd acquired Conestoga-Rover & Associates Ltd. Conestoga-Rover & Associates Ltd have a small presence in the UK, the activities of which will be integrated with Gutteridge Haskins & Davey Ltd during 2014-15. An integration plan has been established and the process has already started from August 2014. No other matter or circumstance has arisen since 30 June 2014 that has significantly affected or may significantly affect:

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

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.

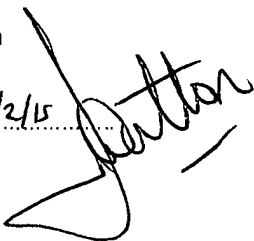
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as auditors will be proposed at the AGM.

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

J Dutton
Director

Date 16/2/15



STRATEGIC REPORT

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

REVIEW OF BUSINESS

FY14 proved to be a challenging year, in part due to the UK economy still recovering and clients running on limited budgets. We saw a marginal increase in gross revenue for the year to £5,577,382 (2013: £5,493,844). Net loss for the year was £1,389,236 (2013: £1,013,379), which includes £609,840 impairment of goodwill, however parts of our business areas demonstrated outstanding operational, financial & client oriented performance during the year.

In FY14 we introduced Client Relationship Management ("CRM") and focused our CRM programme on developing relationships with strategic clients which consistently deliver circa 70% of gross revenue.

During FY14, we secured key framework agreements with Network Rail, on the Management Consultancy Framework, RSSB on the Enabling Innovation Framework, and with Merseyrail on their Commercial & Project Management Framework.

In addition we secured a position on the Sheffield City Council as a member of their approved supplier list. Furthermore we responded to four other major framework agreements, all with Transport for London, the results of which are expected to be announced during FY15.

These build upon our existing frameworks that we have in place with Strathclyde Passenger Transport Executive for Rail Engineering and with TfL for Railway Engineering - Assets and Railway Engineering - Process, which are due to expire when the new framework agreements are awarded by TfL during FY15.

This year also saw the company initiating steps to launch into the water sector in the UK and actions have been taken to set up a Water Service Group, with the appointment of a new Service Group Manager. This service group will be based & operate initially within Scotland.

Our strategy remains robust, but FY15 will signal a change of emphasis. There will be intense concentration on achieving break-even with focus on three main priorities:

- improving our revenue position on a weekly basis;
- reducing indirect expenses as appropriate; and
- maintaining our strong track record of delivering new projects – Client-service led approach and maintaining our excellent client care scores.

The company will concentrate on the smooth integration of activities with Conestoga-Rovers & Associates Ltd as per the Integration Programme which has now been established. This exercise will be carried out by the integration team comprising of key team members from Gutteridge Haskins & Davey Ltd & Conestoga-Rover & Associates Ltd.

KEY PERFORMANCE INDICATORS

	2014	2013
Revenue	£5,577,382	£5,493,844
Gross margin % ⁽¹⁾	9.7%	6.9%
EBITDA ⁽²⁾	(£677,267)	(£926,151)
Net Loss	£1,389,236	£1,013,379
Utilisation	65%	63%
Invoice Efficiency	68%	66%

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

⁽²⁾ Being net loss before finance costs, tax, depreciation and impairment of goodwill.

Despite the overall financial performance there has been improvement in EBITDA, utilisation & invoice efficiency over the past 12 months and these are key indicators that are monitored on a regular basis and provide an insight into the trends of the forthcoming period.

The cash position of the company has reduced from £850,480 at 30 June 2013 to £258,570 at 30 June 2014 primarily due to the loss for the year being offset by receipts from related entities.

STRATEGIC REPORT (continued)

PRINCIPAL RISKS & UNCERTAINTIES

The company will drive diversification within the business, through our CRM programme and our Strategic and Core Clients; this will assist Service Groups that are at risk of becoming single client focused. To mitigate this risk, as well as Client Relationship Management being introduced to diversify the client base the addition of a new Water Service Group will also drive service diversification.

A further principal risk is the volume of staff turnover. To assist in the mitigation of this risk we will review our overall benefits package and this will be undertaken as part of the integration activities associated with the integration plan for CRA - Europe, this will progress in parallel with our continued investment in staff benefits training & development.

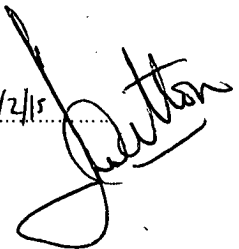
GOING CONCERN

As at 30 June 2014, the Company had net assets of £3,224,968 (2013: net assets £4,324,557) and accumulated losses of £9,098,655 (2013: £7,709,419). 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.

J Dutton
Director

Date: 16/2/15



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. 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 2014, 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 2014, and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report 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

18 February 2015

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2014

	Notes	2014 £	2013 £
Revenue	5	5,577,382	5,493,844
Job related disbursements		(1,089,911)	(671,707)
Employee costs	8	(4,272,200)	(4,846,431)
Depreciation of plant and equipment	6,13	(100,937)	(86,153)
Recruitment and training		(52,276)	(36,878)
Occupancy costs		(286,580)	(282,356)
Travelling costs		(78,357)	(140,084)
Finance costs	6	(1,192)	(1,075)
Services charges		-	(36,007)
Impairment of goodwill	6	(609,840)	-
Other expenses		(475,325)	(406,532)
Loss before tax expense		(1,389,236)	(1,013,379)
Tax	10	-	-
Loss attributable to the members of the company		(1,389,236)	(1,013,379)

All amounts relate to continuing operations.

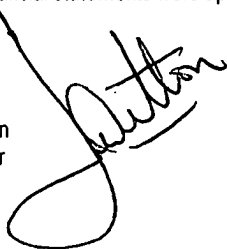
STATEMENT OF FINANCIAL POSITION
At 30 June 2014

	Notes	2014 £	2013 £
NON CURRENT ASSETS			
Intangible assets	15	913,337	1,523,177
Plant and equipment	13	228,448	308,719
Total non current assets		1,141,785	1,831,896
CURRENT ASSETS			
Cash and cash equivalents	20(a)	258,570	850,480
Trade and other receivables	11	2,841,344	2,628,017
Prepayments		141,089	155,129
Total current assets		3,241,003	3,633,626
TOTAL ASSETS		4,382,788	5,465,522
CURRENT LIABILITIES			
Trade and other payables	16	984,597	886,761
Provisions	17	66,176	90,315
Other liabilities	18	24,755	34,037
Total current liabilities		1,075,528	1,011,113
NON CURRENT LIABILITIES			
Trade and other payables	16	-	47,560
Provisions	17	82,292	82,292
Total non-current liabilities		82,292	129,852
TOTAL LIABILITIES		1,157,820	1,140,965
NET ASSETS		3,224,968	4,324,557
SHAREHOLDER'S EQUITY			
Share capital	21	10,000,000	10,000,000
Other reserves		2,323,623	2,033,976
Accumulated losses		(9,098,655)	(7,709,419)
TOTAL EQUITY		3,224,968	4,324,557

The accounts have been prepared in accordance with special provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board on 16/2/15 and were signed off on its behalf by

J Dutton
Director



STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	Notes	Share capital £	Other reserves £	Accumulated losses £	Total £
Balance at 1 July 2013		10,000,000	2,033,976	(7,709,419)	4,324,557
Other reserve		-	289,647	-	289,647
Loss for the year		-	-	(1,389,236)	(1,389,236)
Balance at 30 June 2014		10,000,000	2,323,623	(9,098,655)	3,224,968
Balance at 1 July 2012		4,000,000	948,308	(6,696,040)	(1,747,732)
Issue of ordinary shares		6,000,000	-	-	6,000,000
Other reserve		-	1,085,668	-	1,085,668
Loss for the year		-	-	(1,013,379)	(1,013,379)
Balance at 30 June 2013		10,000,000	2,033,976	(7,709,419)	(4,324,557)

STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	Notes	2014 £	2013 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,494,506	5,638,303
Payments to suppliers and employees		(5,377,262)	(6,202,677)
Interest paid		(1,192)	(1,075)
VAT paid to tax authorities		(824,613)	(678,334)
Net cash used in operating activities	20(b)	(708,561)	(1,243,783)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		(48,808)	(63,925)
Purchase of plant and equipment		(20,666)	(47,443)
Proceeds from sale of plant and equipment		-	4,321
Net cash used in investing activities		(69,474)	(107,047)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in amounts due from related entities		186,125	249,600
Additional share capital		-	6,000,000
Repayments of borrowings to a common controlled entity		-	(4,221,050)
Net cash provided by financing activities		186,125	2,028,550
Net (decrease)/increase in cash and cash equivalents held		(591,910)	677,720
Cash and cash equivalents at the beginning of the financial year		850,480	172,760
Cash and cash equivalents at the end of the financial year	20(a)	258,570	850,480

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 2014 were authorised for issue by the board of directors on16/2/15..... 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 and planning. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the Company are set out in note 2.

2. 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.

Going Concern

As at 30 June 2014, the Company had net assets of £3,224,968 (2013: Net asset £4,324,557) and accumulated losses of £9,098,655 (2013: £7,709,419). 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 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.

(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.

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.

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.

(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 profit and loss account.

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

- 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) Financial liabilities

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

(h) Trade receivables

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

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) 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.

(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.

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 2013. 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:

<i>International Accounting Standards (IAS/IFRSs)</i>	<i>Effective date</i>
IAS 16 Property, plant and equipment (amendment)	1 July 2014
IAS 19 Employee Benefits (amendment)	1 July 2014
IAS 24 Related Party Disclosures (amendment)	1 July 2014
IAS 27 Separate Financial Statements (amendment)	1 January 2016
IAS 38 Intangible assets	1 July 2014
IFRS 2 Share-based payment	1 July 2014
IFRS 3 Business combinations	1 July 2014
IFRS 8 Operating segments	1 July 2014
IFRS 9 Financial Instruments (2014)	1 January 2018
IFRS 10 Consolidated Financial Statements (amendment)	1 January 2016
IFRS 13 Fair Value Measurement (amendment)	1 July 2014
IFRS 15 Revenue from contracts with customers	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 2014, the net amount of work in progress was an asset of £43,117 (2013: £123,082). Refer to Note 12.

Judgment

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 2014, the unrecognised deferred tax asset was £1,666,364 (2013: £1,566,253). Refer to Note 10.

5. REVENUE

	2014 £	2013 £
Sales revenue		
Professional services	5,577,382	5,493,844

6. LOSS BEFORE TAX EXPENSE

This is stated after charging

Depreciation of plant and equipment (note 13)	100,937	86,153
Interest expense – other	1,192	1,075
Auditor's remuneration (note 7)	28,110	35,436
Operating lease cost: land and buildings	195,179	196,890
Operating lease cost: others	898	894
Loss on disposal of plant and equipment	-	2,774
Impairment adjustment – goodwill	609,840	-

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	24,150	22,305
Non audit fees – taxation services	3,960	5,070
Non audit fees – corporate finance services	-	8,061
	28,110	35,436

8. EMPLOYEE COSTS

Wages and salaries	3,638,170	4,079,606
National Insurance	424,325	472,586
Pension costs	232,654	263,915
Employee benefits	(25,076)	(1,058)
Other staff costs	2,127	31,382
	4,272,200	4,846,431

NOTES TO THE FINANCIAL STATEMENTS

8. EMPLOYEE COSTS (continued)

The average number of employees during the year, including directors, was as follows:

	2014 No.	2013 No.
Directors*	2	2
Professional staff	52	55
Support staff	7	8
	61	65

*One of the directors (2013: one) is also professional staff, but, for the purpose of this note, he is only categorised as 'a director'.

9. REMUNERATION OF DIRECTORS

	2014 £	2013 £
Directors' emoluments	132,500	125,717
Contributions to defined contribution pension schemes	7,950	7,674
	140,450	133,391

The amounts are for the period during which directors are in office. Phillip Duthie and Ashley Wright are also a directors of related entities. Their emolument and pension costs are disclosed in the financial statements of those entities. At 30 June 2014, one UK based director was in a defined contribution pension scheme.

10. TAX

The factors affecting the current tax charge for the year are explained below:

	2014 £	2013 £
Loss before tax expense	(1,389,236)	(1,013,379)
Tax on the operating loss at the UK corporate tax rate of 22.5% (2013: 23.75%)	(312,578)	(240,678)
Expenses not deductible for tax purposes	2,037	2,114
Capital allowances deferred	17,162	14,813
Short term timing differences	(1,620)	(4,161)
Equity recognised as income for tax purposes	65,171	257,846
Unrecognised tax losses	229,828	(29,934)
Tax expense	-	-

At 30 June 2014 there was a potential deferred tax asset of £1,666,364 (2013: £1,566,253) 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. The rate of corporation tax in the UK fell from 23% to 21% from 1 April 2014. Accordingly, a blended rate of 22.5% has been used for the year. The UK Government has announced that UK corporation tax will fall to 20% from 1 April 2015. These future changes have not been substantively enacted at the balance sheet date and hence a rate of 22.5% has been used to calculate the company's unrecognised deferred tax asset.

NOTES TO THE FINANCIAL STATEMENTS

11. TRADE AND OTHER RECEIVABLES

	2014 £	2013 £
CURRENT		
Trade debtors	745,090	662,214
Amounts due from contract customers (note 12)	91,877	138,647
Amounts receivable from a controlled entity (note 23)	8,149	5,149
Trust distribution receivable	-	1,085,668
Amounts receivable from common controlled entities (note 23)	1,944,853	707,383
Other debtors	51,375	28,956
	2,841,344	2,628,017

(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*
	£	£	£	£
2014	745,090	424,523	307,486	13,081
2013	662,214	435,856	226,358	-

* Past due not impaired ("PDNI")

No provision of bad debt has been made in 2014 or 2013. All debtors aged over 90 days (2013: 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.

12. WORK IN PROGRESS

	2014 £	2013 £
Contracts in progress at the end of the reporting period:		
Revenue earned less recognised losses of contracts in progress at the reporting date	3,927,188	3,206,413
Less progress billings	(3,884,071)	(3,083,331)
Net work in progress	43,117	123,082
Amounts due from contract customers included in trade and other receivables	91,877	138,647
Amount due to contract customers included in trade and other payables	(48,760)	(15,565)
Net work in progress	43,117	123,082

NOTES TO THE FINANCIAL STATEMENTS

13. PLANT AND EQUIPMENT

	Leasehold improvement and make good £	Plant and equipment £	Total £
<i>Cost:</i>			
At 1 July 2012	264,512	327,817	592,329
Additions	15,785	31,659	47,444
Disposals	(30,000)	(22,322)	(52,322)
At 1 July 2013	250,297	337,154	587,451
Additions	2,174	18,492	20,666
At 30 June 2014	252,471	355,646	608,117
<i>Depreciation and impairment</i>			
At 1 July 2012	84,978	122,828	207,806
Provided during the year	24,166	61,987	86,153
Disposal	-	(15,227)	(15,227)
At 1 July 2013	109,144	169,588	278,732
Provided during the year	54,884	46,053	100,937
At 30 June 2014	164,028	215,641	379,669
Net book value at 30 June 2014	88,443	140,005	228,448
Net book value at 30 June 2013	141,153	167,566	308,719

14. SUBSIDIARIES

On 1 July 2011, the Company acquired 100% of the shares of CollinsonDutton Limited ("CDL") and its subsidiary. After the acquisition, CDL's business, client relationships, experienced and key employees were transferred to the Company during 2012 and 2013. The investment amount was fully transferred to goodwill in 2013 (Note 15).

CDL is incorporated in England and Wales and its principal activity is the provision of consultancy services.

NOTES TO THE FINANCIAL STATEMENTS

15. INTANGIBLE ASSETS

	2014 £	2013 £
Cost		
1 July	1,523,177	1,284,275
Additions	-	238,902
At 30 June	1,523,177	1,523,177
Provision for impairment		
1 July	-	-
Impairments	609,840	-
At 30 June	609,840	-
Carrying amount		
At 30 June	913,337	1,523,177

Goodwill represents investment made in CollinsonDutton Ltd. After the acquisition in July 2011, CDL's business was transferred to the company, which generates income for the Company.

(a) 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 3%.

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.

Post-tax discount rate used was 10%.

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.

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 3% long term rate. Sensitivity analysis was performed with discount rates of 9-11% and growth rates of 2-4%.

NOTES TO THE FINANCIAL STATEMENTS

16. TRADE AND OTHER PAYABLES

CURRENT

	2014 £	2013 £
Trade payables	92,465	81,776
Amounts due to contract customers (note 12)	48,760	15,566
Amount payable to ultimate parent entity (note 23)	379,310	330,493
Amount payable to common controlled entities (note 23)	2,521	60
Deferred settlement on acquisition	47,560	48,808
Other payables	413,981	410,058
	984,597	886,761

NON CURRENT

Deferred settlement on acquisition	-	47,560
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Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 28 days (2013: 28 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.

17. PROVISIONS

CURRENT

Employee benefits	66,176	90,315
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NON CURRENT

Make good provision	82,292	82,292
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(a) Nature and purpose of provisions

Employee benefits

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.

Premises make good

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.

(b) Movements in provisions

Employee benefits – current

	2014 £	2013 £
Carrying amount at beginning of year	90,315	91,373
Additional provision recognised	421,404	453,619
Provision utilised or transferred out	(445,543)	(454,677)
Provision at year end	66,176	90,315

Premises make good – non current

	2014 £	2013 £
Carrying amount at beginning of year	82,292	112,292
Provision released	-	(30,000)
Provision at year end	82,292	82,292

18. OTHER LIABILITIES

CURRENT

Lease incentive	24,755	34,037
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NOTES TO THE FINANCIAL STATEMENTS

	2014 £	2013 £
19. SHARE CAPITAL		
<i>Authorised</i>		
10,000,000 (2013: 10,000,000) ordinary shares of £1 each	10,000,000	10,000,000
<i>Issued and fully paid</i>		
10,000,000 (2013: 10,000,000) ordinary shares of £1 each	10,000,000	10,000,000

20. NOTES TO THE STATEMENTS OF CASHFLOW

(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 as follows:

	2014 £	2013 £
Cash and cash equivalents	258,570	850,480

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

Loss after tax	(1,389,236)	(1,013,379)
Adjustments for non-cash and non-operating items:		
Depreciation	100,937	86,153
Goodwill impairment	609,840	-
Loss on disposal of plant and equipment	-	2,774
Changes in operating assets and liabilities		
(Increase)/decrease in receivables and prepayments	(44,486)	48,354
Increase/(decrease) in payables	14,384	(367,685)
Net cash flows used in operating activities	(708,561)	(1,243,783)

21. COMMITMENTS AND CONTINGENCIES

(a) OPERATING LEASE COMMITMENTS

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

Land and buildings

Not later than one year	168,456	168,460
After one year but not more than five years	239,852	408,304
	408,308	576,764

Equipment

Not later than one year	-	1,745
	-	1,745

Total	408,308	578,509
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(b) CAPITAL COMMITMENTS AND CONTINGENCIES

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

NOTES TO THE FINANCIAL STATEMENTS

22. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND RISKS MANAGEMENT (continued)

(a) FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise receivables, payables and intercompany loan. 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.

	2014 £	2013 £
Financial assets		
Cash and cash equivalents	258,570	850,480
Trade and other receivables	2,841,344	2,628,017
	3,099,914	3,478,497
Financial liabilities		
Trade and other payables	984,597	886,761
	984,597	886,761

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company manages its exposure to key financial risks which are credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to receivables and use of loan from a common controlled entity. Ageing analyses are undertaken to manage credit risk (note 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. The £381,831 (2013: £330,553) payables 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 were to weaken/strengthen by +/-10%, impact on the profit and loss account would be £38,183 (2013: £33,055). The 10% is the change in foreign exchange rates that management deems reasonably possible.

NOTES TO THE FINANCIAL STATEMENTS

23. 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 2014 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	-	-	379,310	-	-
Common controlled entities	244,680	1,944,853	2,521	-	-
Subsidiary	-	8,149	-	-	-

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 17.

24. PARENT UNDERTAKING

Effective 1 July 2013, the ownership of the Company was transferred from GHD Pty Ltd to GHD Holdings (UK) Pty Ltd, a company registered in Australia. The ultimate parent company remained unchanged as GHD Group Pty Ltd, a company registered in Australia. Copies of GHD Group Pty Ltd & Controlled Entities Consolidated Financial Statements can be obtained on application to the Company Secretary, Level 15, 133 Castlereagh St, Sydney NSW 2000, Australia.

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.

25. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On 1 July 2014, the ultimate parent company GHD Group Pty Ltd acquired Conestoga-Rover & Associates Ltd. Conestoga-Rover & Associates Ltd have a small presence in the UK, the activities of which will be integrated with Gutteridge Haskins & Davey Ltd during 2014-15. An integration plan has been established and the process has already started from August 2014. No other matter or circumstance has arisen since 30 June 2014 that has significantly affected or may significantly affect:

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