

Registered number: 02174512 (England and Wales)

# George Hutchison Associates Limited

*Annual report and financial statements*

For the year ended 30 June 2021

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**COMPANY INFORMATION**

**Directors** S C V Light  
C W Stockton

**Registered office** Level 1, Building 49  
Thornton Science Park  
Pool Lane  
Chester  
Cheshire  
CH2 4NU

**Registered number** 02174512

**Bankers** HSBC Bank Plc  
4th Floor, City Point  
29 King Street  
Leeds  
LS1 2HL

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2021**

The directors present their report with the financial statements of George Hutchison Associates Limited ("the Company") for the year ended 30 June 2021. The directors have taken advantage of the small companies exemption and have not prepared a strategic report.

For the year ended 30 June 2021, the Company has taken an exemption from audit under s479A requirements of the UK Companies Act 2006 ("the Act"). Gutteridge Haskins & Davey Limited, a parent undertaking, provides a guarantee concerning to outstanding liabilities of the Company under s479C of the Act.

### **Principal activity**

The principal continuing activity of the Company is that of engineering consulting.

### **Directors**

The directors listed below have held office at any time during the period from 1 July 2020 to the date of this report.

S C V Light

C W Stockton

### **Financial risk management**

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

### **Environmental, Social, and Governance (ESG) Performance**

The GHD Group of companies ("Enterprise"), including the Company, has been a signatory to the UN Global Compact since 2010 and is committed to continually improve its contribution to relevant UN Sustainable Development Goals.

GHD has formally adopted an Enterprise ESG Strategy, developed following wide consultation across the Enterprise. The strategy focuses on integrating environmental and social performance into decision-making processes and business relationships and driving ownership and accountability for sustainability across the enterprise. The GHD Group Board's ESG Committee has oversight of the strategy.

The Enterprise continued to advance the delivery of its commitment to environmentally and socially responsible operations through the global Enterprise Sustainability Leader. An Enterprise wide cross-functional ESG Working Group is leading work on other key actions for the Enterprise ESG Strategy. The working group has developed a draft set of guiding principles and commitments to help achieve the sustainability commitments of the Enterprise.

A priority action of the Enterprise ESG Strategy is achieving carbon neutrality by 2025. This requires integrating consideration of greenhouse gas emissions into decisions related to office spaces, energy use, vehicle fleets and air travel, among other operational decisions. The Enterprise HSE team collected data for 2020/21 Scope 1 and Scope 2 emissions for each region as a baseline for establishing emissions reduction targets in every region. GHD is committed to achieving carbon neutrality for Scope 1 and Scope 2 emissions by 2023, and Scope 3 emissions by 2025.

To further support our carbon neutrality commitment, GHD appointed an Enterprise Environmental Manager who is responsible for the ongoing tracking of Enterprise-wide greenhouse gas emissions data and driving the implementation of emissions reduction activities across the Enterprise.

The integration of environmental and social performance across our business extends to GHD's corporate citizenship. GHD addresses this through its support for the volunteering efforts of "GHD in the Community" and its support of GHD Foundation.

### **Impact of COVID-19**

COVID-19 and the resulting travel and workplace restrictions have had some impact on the Company's financial results for the current year. Management of working capital has also significantly strengthened free cash flows.

There have been no major debt write offs, or major impairments indicated, as at the date of issuing this report. In preparation of this financial report the Company has considered COVID-19 in its entirety in assessment of provisions, impairment and recoverability of receivables, goodwill and other assets.

As a member of the GHD Group Limited consolidated group, the Company has access to unused financing facilities available globally to the GHD Group of GBP 196 million (71% of facilities) at 30 June 2021.

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2021 (CONTINUED)**

**Matters subsequent to the end of the financial period**

The spread of COVID-19 has severely impacted many local economies around the globe. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closure of non-essential services have triggered significant disruptions to business worldwide, resulting in economic slowdown. The duration and impact of the COVID-19 pandemic, as well as effectiveness of government response, remains unclear at this time. The Company will receive continued support from the ultimate parent should the impacts of Covid-19 result in worsening deterioration of the business.

There are no other subsequent events since 30 June 2021 that may significantly affect the Company's operations or the financial results in future financial years.

Approved by the Board and signed on its behalf by:

  
S C V Light  
Director

Date: 6 June 2022

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2021**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2021**

|                                                | Note | 2021<br>£ | 2020<br>£ |
|------------------------------------------------|------|-----------|-----------|
| Revenue with contracts with customers          | 5    | 64,789    | 818,853   |
| Cost of sales                                  |      |           |           |
| Subcontractor and project disbursements        |      | (65,027)  | (851,808) |
| Gross loss                                     |      | (238)     | (32,955)  |
| Administrative expenses                        |      | (5,777)   | 57,273    |
| Other operating income                         | 6(a) | -         | 4,284     |
| Other (losses) / gains                         | 7    | -         | 554       |
| Operating (loss)/profit                        |      | (6,015)   | 29,156    |
| Finance income net of finance costs            | 7    | (2)       | (49)      |
| (Loss)/profit before income tax                |      | (6,017)   | 29,107    |
| Income tax (expense)/benefit                   | 8    | (3,466)   | 4,276     |
| (Loss)/profit for the year                     |      | (9,483)   | 33,383    |
| Other comprehensive income/(loss) for the year |      | -         | -         |
| Total comprehensive (loss)/income for the year |      | (9,483)   | 33,383    |

The above results were derived from continuing operations.

**Statement of financial position  
As at 30 June 2021**

|                                     | Note | 2021<br>£        | 2020<br>£        |
|-------------------------------------|------|------------------|------------------|
| <b>Non current assets</b>           |      |                  |                  |
| Property, plant and equipment       | 9    | 4,937            | 8,587            |
| <b>Total non current assets</b>     |      | <b>4,937</b>     | <b>8,587</b>     |
| <b>Current assets</b>               |      |                  |                  |
| Cash and cash equivalents           |      | 37,312           | 1,145            |
| Trade and other receivables         | 10   | 2,127,917        | 2,126,580        |
| Work in progress                    | 11   | 4,618            | 84,951           |
| Other financial assets              |      | -                | 954              |
| <b>Total current assets</b>         |      | <b>2,169,847</b> | <b>2,213,630</b> |
| <b>Total assets</b>                 |      | <b>2,174,784</b> | <b>2,222,217</b> |
| <b>Equity and liabilities</b>       |      |                  |                  |
| Share capital                       | 12   | 1,015,100        | 1,015,100        |
| Capital redemption reserve          |      | 245              | 245              |
| Retained earnings                   |      | 957,404          | 966,886          |
| <b>Total equity</b>                 |      | <b>1,972,749</b> | <b>1,982,231</b> |
| <b>Current liabilities</b>          |      |                  |                  |
| Trade and other payables            | 13   | 201,862          | 59,376           |
| Unearned revenue                    | 11   | 173              | 179,652          |
| Other current financial liabilities |      | -                | 958              |
| <b>Total current liabilities</b>    |      | <b>202,035</b>   | <b>239,986</b>   |
| <b>Total liabilities</b>            |      | <b>202,035</b>   | <b>239,986</b>   |
| <b>Total equity and liabilities</b> |      | <b>2,174,784</b> | <b>2,222,217</b> |

For the year ended 30 June 2021, the Company has taken an exemption from audit under s479A requirements of the Companies Act 2006. No members have required the Company to obtain an audit of its accounts for the current year in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

The financial statements of George Hutchison Associates Limited (registered number: 02174512) were approved by the Board on 6 June 2022 and signed on its behalf by:



S C V Light  
Director



**Statement of changes in equity**  
**For the year ended 30 June 2021**

|                                | Share capital<br>£ | Retained<br>earnings<br>£ | Capital<br>redemption<br>reserve<br>£ | Total equity<br>£ |
|--------------------------------|--------------------|---------------------------|---------------------------------------|-------------------|
| Balance at 1 July 2019         | 1,015,100          | 933,503                   | 245                                   | 1,948,848         |
| Profit for the year            | -                  | 33,383                    | -                                     | 33,383            |
| <b>Balance at 30 June 2020</b> | <b>1,015,100</b>   | <b>966,886</b>            | <b>245</b>                            | <b>1,982,231</b>  |
| Loss for the year              | -                  | (9,483)                   | -                                     | (9,483)           |
| <b>Balance at 30 June 2021</b> | <b>1,015,100</b>   | <b>957,404</b>            | <b>245</b>                            | <b>1,972,749</b>  |

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Corporate information

George Hutchison Associates Limited (the 'Company') is a private company limited by shares and incorporated in England and Wales. The Company's registered number and registered office address can be found on the Company Information page. The immediate parent entity is GHD Livgunn Limited and the head entity of the UK group is Gutteridge Haskins & Davey Limited, both companies incorporated in England and Wales. The ultimate parent entity is GHD Group Limited, a company incorporated in Australia. The consolidated accounts of Gutteridge Haskins & Davey Limited and GHD Group Limited can be obtained as set out in note 14.

### 2 Significant accounting policies

#### Basis of preparation

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are presented in Great British Pounds.

#### Historical cost convention

The Company's financial statements have been prepared on a going concern assumption under the historical cost convention, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

#### Statement of compliance

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, standards not yet effective, certain disclosure in respect of revenue from contracts with customers, impairment of assets and certain related party transactions.

For the year ended 30 June 2021, the Company has taken an exemption from audit under s479A requirements of the UK Companies Act 2006 ('the Act'). Gutteridge Haskins & Davey Limited, a parent undertaking, provides a guarantee concerning to outstanding liabilities of the Company under s479C of the Act.

#### (a) Revenue recognition

##### Sales Revenue

The Company derives sales revenue from delivery of consulting services under both cost plus and fixed fee contracts. Revenue for each performance obligation is measured based on the consideration specified in a contract with a customer.

A performance obligation is a promise in the contract to transfer a distinct service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenues when, or as, the performance obligation is satisfied. Most of the Company's contracts have a single performance obligation as the promise to transfer individual services is not separately identifiable from other promises in the contracts and, therefore, not distinct. Any modifications or variations to contracts in progress are assessed to determine if they fall under the scope of the existing contract performance obligation or form part of a new performance obligation.

Consulting services revenue is typically recognised over time as the asset created has no alternative use to the Company and the Company has a right to payment for performance completed to date in line with contracted terms.

Revenues and profits from cost-plus contracts with a maximum limit and fixed fee contracts are recognised progressively applying an input method based on a percentage-of-completion method.

Revenues from cost-plus contracts without stated maximum limits are recognised when costs are incurred and are calculated applying an input method based on billing rates for the services performed.

Certain costs incurred by the Company for subconsultants and other expenses that are recoverable directly from customers are billed to them and therefore are included in revenues. The value of goods and services purchased by the Company, when acting as a purchasing agent for a customer, are not recorded as revenues.

The effect of revisions to estimate revenues and costs, including the impact from any modifications or variations to contracts in progress, are recorded when the amounts are known and can be reasonably estimated. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2 Significant accounting policies (continued)

#### (a) Revenue recognition (continued)

If the Company has recognised revenues but has not issued an invoice, the entitlement to consideration is recognised as a contract asset presented as "work in progress", which is transferred to trade receivables when the invoice is issued. If invoices are issued to a customer or payments are received from a customer prior to the rendering of services, the Company recognises a contract liability presented as "unearned revenue", which is transferred to revenue once related services have been rendered.

Revenues are shown net of goods, services and sales tax and after eliminating sales within the Company.

#### (b) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Where the Company has legal obligations to restore certain of its leasehold premises on departure from those premises and the cost of restoration can be reliably estimated, a fixed asset is recorded and depreciated.

Depreciation is calculated on a straight-line basis to write off the net cost of plant and equipment to its expected residual value over its expected useful life to the Company. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The expected useful lives are as follows:

|                     |              |
|---------------------|--------------|
| Plant and equipment | 5 - 20 years |
|---------------------|--------------|

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 asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### (c) Taxation

##### **Income tax expense**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax expense or revenue is the tax payable or recoverable in respect of the taxable profit or loss for the year, based on the income tax rate for each jurisdiction. Taxable profit differs from profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

##### **Current and deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

##### **Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### (d) Goods and service and sales taxes

##### **Value-added tax**

Revenues, expenses and assets are recognised net of the amount of associated taxes, unless the tax incurred is not recoverable from the taxation authority, when it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of taxes receivable or payable.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2 Significant accounting policies (continued)

#### (e) Financial assets

##### *Financial assets at amortised cost*

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'at amortised cost'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

They arise when the Company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date, which are classified as non current assets. Loans and receivables are included in receivables in the statement of financial position (note 10).

##### *Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. The exposure at default is represented by the asset's gross carrying amount at the reporting date.

Where lifetime ECL is measured on a collective basis, the financial instruments are grouped on the following basis:

- i. Nature of financial instruments; or
- ii. Past-due status; and
- iii. Nature, size and industry of debtors.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through the loss allowance account and does not reduce the carrying amount of the financial asset in the statement of financial position.

##### *Credit impaired financial assets*

A financial asset is credit impaired when one or more events that have detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- i. Significant financial difficulty of the issuer or the borrower;
- ii. A breach of contracts, such as a default or past due event; and
- iii. It is probable that the borrower will enter bankruptcy or other financial reorganisation.

##### *Impairment of trade receivables*

The Company applies the simplified approach to impairment for trade receivables, measuring expected credit losses ('ECL') using a lifetime expected credit loss allowance. The expected credit losses are estimated using a provision matrix based on the Company's historical loss experience. The historical loss rates are adjusted for factors that are specific to the general economic conditions and an assessment of the current and forecast direction of economic conditions at the reporting date.

The Company writes off a trade receivable when there is information indicating that a counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

When a payment of trade receivables is in doubt due to factors other than credit risk, the contractual considerations are reassessed under IFRS15 Revenue from Contracts with Customers and revenue may be reduced accordingly.

##### *Derecognition of financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2 Significant accounting policies (continued)

#### (f) Cash and cash equivalents

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

#### (g) Financial liabilities and equity instrument

##### **Classification as debt or equity**

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangement.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

##### **Contributed equity**

Contributed equity consists of ordinary shares.

##### **Other financial liabilities**

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

##### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### (h) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3 Application of new and revised accounting standards

#### (a) Adoption of new and revised accounting standards and interpretation

The following new and revised Standards and Interpretations have been adopted in these financial statements and had some minor impact on the reported results, financial position or disclosure in the current year:

- Amendments to IFRS 3 Definition of a business
- Amendments to IAS 1 and IAS 8 Definition of materiality
- Amendments to References and the Conceptual Framework in IFRS Standards
- IFRIC Interpretation Configuration or Customization Costs in a Cloud Computing Arrangement - IAS 38 Intangible Assets

The Company has revised and applied the accounting policies under the adopted accounting standards.

#### (b) Standards and interpretations in issue not yet adopted

At the date of authorisation of the financial report, the Standards and Interpretations that were issued but not yet effective are listed below.

| Standard / Interpretation                                                                                                                                                                                               | Effective for annual reporting periods beginning on or after |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| • Amendments to IFRS 3 – Reference to the Conceptual Framework                                                                                                                                                          | 1 January 2022                                               |
| • Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract                                                                                                                                                | 1 January 2022                                               |
| • Annual Improvements to IFRS Standards 2018-2020 Cycle - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture | 1 January 2022                                               |
| • Amendments to IAS 1 – Classification of Liabilities as Current or Non-current                                                                                                                                         | 1 January 2023                                               |

The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Company's financial statements.

### 4 Critical accounting judgements and key sources of estimation uncertainty

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

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

The Directors have determined there are no matters for disclosure.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5 Revenue

|                                                        | 2021<br>£     | 2020<br>£      |
|--------------------------------------------------------|---------------|----------------|
| <b>Revenue from contracts with customers by region</b> |               |                |
| United Kingdom                                         | 64,789        | 818,717        |
| Middle East                                            | -             | 136            |
|                                                        | <b>64,789</b> | <b>818,853</b> |

### 6 Other operating income

The analysis of the company's other operating income for the year is as follows:

|                   | 2021<br>£ | 2020<br>£ |
|-------------------|-----------|-----------|
| Government grants | -         | 4,284     |

### 7 Other income and expenses

#### (a) Other gains and losses

|                                                           | 2021<br>£ | 2020<br>£  |
|-----------------------------------------------------------|-----------|------------|
| Net gain/(loss) on disposal of fixed assets               | -         | (5,101)    |
| Net gain/(loss) on foreign exchange gains on transactions | -         | 5,655      |
|                                                           | <b>-</b>  | <b>554</b> |

#### (b) Other expenses by category

|                                                             | 2021<br>£ | 2020<br>£ |
|-------------------------------------------------------------|-----------|-----------|
| Amount charged to profit/(loss) before income tax included: |           |           |
| Depreciation                                                | 3,650     | 6,396     |
| Amortisation                                                | 954       | 3,456     |

#### (c) Finance income and costs

|                                  | 2021<br>£  | 2020<br>£   |
|----------------------------------|------------|-------------|
| <b>Finance costs</b>             |            |             |
| Interest cost discounting        | (2)        | (49)        |
| <b>Net finance income/(cost)</b> | <b>(2)</b> | <b>(49)</b> |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 8 Income tax

#### Analysis of income tax expense/(benefit)

|                                            | 2021<br>£    | 2020<br>£       |
|--------------------------------------------|--------------|-----------------|
| <b>Current taxation</b>                    |              |                 |
| Current year tax                           | 3,447        | (7,490)         |
| Over provision in prior year               | 19           | (13,772)        |
| <b>Total current tax expense</b>           | <b>3,466</b> | <b>(21,262)</b> |
| <b>Deferred taxation</b>                   |              |                 |
| Deferred tax                               | (7,471)      | 16,081          |
| Under / (over) provision in prior year     | 7,471        | 905             |
| <b>Total deferred tax expense</b>          | <b>-</b>     | <b>16,986</b>   |
| <b>Total tax benefit in profit or loss</b> | <b>3,466</b> | <b>(4,276)</b>  |

#### Reconciliation of income tax expense to prima facie tax on the operating profit

Income tax expense/(benefit) differs to the enacted rate of tax for corporations due to:

|                                                                   | 2021<br>£      | 2020<br>£      |
|-------------------------------------------------------------------|----------------|----------------|
| <b>(Loss)/profit before income tax</b>                            | <b>(6,017)</b> | <b>29,107</b>  |
| <b>Prima facie tax on (loss)/profit at 19% (2020 - 19%)</b>       | <b>(1,143)</b> | <b>5,530</b>   |
| Adjusted for:                                                     |                |                |
| Expenses not deductible for tax purposes                          | 19             | -              |
| Deferred tax assets not recognised                                | 4,389          | 3,875          |
| Utilisation of carry forward tax losses not previously recognised | (7,471)        | -              |
| Under / (over) provision in prior year                            | 7,490          | (12,867)       |
| Other                                                             | 182            | (814)          |
| <b>Income tax expense / (benefit) recognised in profit</b>        | <b>3,466</b>   | <b>(4,276)</b> |



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 8 Income tax (continued)

#### Deferred tax

|                                                  | 2021<br>£ | 2020<br>£ |
|--------------------------------------------------|-----------|-----------|
| Balance at the beginning of the year             | -         | 16,986    |
| (Charge) / credit to statement of profit or loss | -         | (16,081)  |
| (Over) / under provision in prior period         | -         | (905)     |
| <b>Balance at end of the year</b>                | <b>-</b>  | <b>-</b>  |

### 9 Property, plant and equipment

|                                | Improvements to<br>property<br>£ | Plant and<br>equipment<br>£ | Total<br>£   |
|--------------------------------|----------------------------------|-----------------------------|--------------|
| Balance at 1 July 2019         | 6,289                            | 13,794                      | 20,083       |
| Disposals                      | (5,108)                          | -                           | (5,108)      |
| Depreciation charge            | (1,181)                          | (5,207)                     | (6,388)      |
| <b>Balance at 30 June 2020</b> | <b>-</b>                         | <b>8,587</b>                | <b>8,587</b> |
| Depreciation charge            | -                                | (3,650)                     | (3,650)      |
| <b>Balance at 30 June 2021</b> | <b>-</b>                         | <b>4,937</b>                | <b>4,937</b> |
| <b>At 30 June 2020</b>         |                                  |                             |              |
| Cost or fair value             | -                                | 48,444                      | 48,444       |
| Less accumulated depreciation  | -                                | (39,857)                    | (39,857)     |
| <b>Net book amount</b>         | <b>-</b>                         | <b>8,587</b>                | <b>8,587</b> |
| <b>At 30 June 2021</b>         |                                  |                             |              |
| Cost or fair value             | -                                | 48,443                      | 48,443       |
| Less accumulated depreciation  | -                                | (43,506)                    | (43,506)     |
| <b>Net book amount</b>         | <b>-</b>                         | <b>4,937</b>                | <b>4,937</b> |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 10 Trade and other receivables

|                                           | 2021<br>£        | 2020<br>£        |
|-------------------------------------------|------------------|------------------|
| <b>Current</b>                            |                  |                  |
| Trade receivables                         | 46,723           | 215,405          |
| Less expected credit loss (ECL) allowance | -                | (2,280)          |
|                                           | <b>46,723</b>    | <b>213,125</b>   |
| Amounts receivable from related parties   | 2,081,194        | 1,909,385        |
| Other debtors                             | -                | 4,070            |
|                                           | <b>2,127,917</b> | <b>2,126,580</b> |

#### (a) Trade receivables

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<br>£ | <60 days<br>£ | 61-180 days<br>£ | 181-270 days<br>£ | 271-365 days<br>£ | >366 days<br>£ |
|------------------------|------------|---------------|------------------|-------------------|-------------------|----------------|
| 2021 Trade receivables | 46,723     | 35,159        | 1,423            | 10,141            | -                 | -              |
| 2021 ECL allowance     | -          | -             | -                | -                 | -                 | -              |
| 2020 Trade receivables | 215,465    | 39,959        | 95,843           | 6,775             | 71,270            | 1,618          |
| 2020 ECL allowance     | (2,280)    | -             | -                | -                 | (662)             | (1,618)        |

#### (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.

### 11 Contract balances

|                                     | 2021<br>£     | 2020<br>£      |
|-------------------------------------|---------------|----------------|
| Trade receivables net of allowances | 46,723        | 215,405        |
| Work in progress net of impairment  | 4,618         | 84,951         |
| Unearned revenue                    | (173)         | (179,652)      |
| <b>Net contract balances</b>        | <b>51,168</b> | <b>120,704</b> |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 11 Contract balances (continued)

|                                                                                     | 2021                                          |                          | 2020                                          |                          |
|-------------------------------------------------------------------------------------|-----------------------------------------------|--------------------------|-----------------------------------------------|--------------------------|
|                                                                                     | Work in<br>progress net<br>of impairment<br>£ | Unearned<br>revenue<br>£ | Work in<br>progress net<br>of impairment<br>£ | Unearned<br>revenue<br>£ |
| <b>Movements in work in progress and unearned revenue were:</b>                     |                                               |                          |                                               |                          |
| Balance at 1 July                                                                   | 84,951                                        | (179,652)                | 124,240                                       | (175,225)                |
| Revenue recognised included in unearned income balance at the beginning of the year | -                                             | 179,652                  | -                                             | 175,225                  |
| Invoicing for services not yet performed                                            | -                                             | (173)                    | -                                             | (179,652)                |
| Transfer of opening work in progress (net of impairment) to receivables             | (84,951)                                      | -                        | (124,240)                                     | -                        |
| Increases as a result of changes in the measure of progress                         | 4,618                                         | -                        | 84,951                                        | -                        |
| <b>Balance at end of the year</b>                                                   | <b>4,618</b>                                  | <b>(173)</b>             | <b>84,951</b>                                 | <b>(179,652)</b>         |

Where the Company is uncertain of recoverability of work in progress, the contractual considerations are reassessed under IFRS 15 *Revenue from Contracts with Customers* and revenue may be reduced accordingly.

|                                                                                                                                                                                                   | 2021<br>£     | 2020<br>£      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------|
| <b>Transaction price allocated to future performance obligations</b>                                                                                                                              |               |                |
| The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the end of the reporting period: |               |                |
| No later than one year                                                                                                                                                                            | 18,195        | 127,618        |
| Later than one year and not later than five years                                                                                                                                                 | -             | -              |
| Later than five years                                                                                                                                                                             | -             | -              |
| <b>Total</b>                                                                                                                                                                                      | <b>18,195</b> | <b>127,618</b> |

### 12 Share capital

Allotted, issued and fully paid:

| Number:   | Class:   | Nominal Value: | 2021<br>£        | 2020<br>£        |
|-----------|----------|----------------|------------------|------------------|
| 1,015,100 | Ordinary | £1             | <b>1,015,100</b> | <b>1,015,100</b> |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 13 Trade and other payables

|                                    | 2021<br>£      | 2020<br>£     |
|------------------------------------|----------------|---------------|
| <b>Current</b>                     |                |               |
| Trade payables                     | 3,294          | 2,334         |
| GST & VAT liabilities              | 1,774          | 57,042        |
| Amounts payable to related parties | 196,794        | -             |
|                                    | <b>201,862</b> | <b>59,376</b> |

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

### 14 Ultimate parent company

GHD Livgunn Limited, a company registered in England and Wales, registered address Level 1, Building 49, Thornton Science Park, Pool Lane, Chester, CH2 4NU, is the immediate parent company as at the balance sheet date. GHD Group Limited is the ultimate parent entity and ultimate controlling party as at the balance sheet date.

The smallest group of undertakings for which group accounts have been drawn up as at 30 June 2021 is that headed by Gutteridge Haskins & Davey Limited, a company registered in England and Wales, registered address Level 1, Building 49, Thornton Science Park, Pool Lane, Chester, CH2 4NU. The consolidated financial statements of Gutteridge Haskins & Davey Limited have been filed with, and are available from, the Registrar of Companies (England and Wales), Companies House, Crown Way, Cardiff, CF 14 3UZ.

The largest group of undertakings for which group accounts have been drawn up as at 30 June 2021 is that headed by GHD Group Limited, a company registered in Australia, address Level 2, 29 Christie St, St Leonards NSW 2065, Australia. Copies of GHD Group Limited & Controlled Entities Consolidated Financial Statements can be obtained on application to the Company Secretary, Level 2, 29 Christie St, St Leonards NSW 2065, Australia.

### 15 Capital commitments and contingencies

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

### 16 Subsequent events

The spread of COVID-19 has severely impacted many local economies around the globe. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closure of non-essential services have triggered significant disruptions to business worldwide, resulting in economic slowdown.

The duration and impact of the COVID-19 pandemic, as well as effectiveness of government response, remains unclear at this time. The Company will receive continued support from the ultimate parent should the impacts of COVID-19 result in a worsening deterioration of the business.

There are no other subsequent events since 30 June 2021 that may significantly affect the Company's operations or the financial results in future financial years.