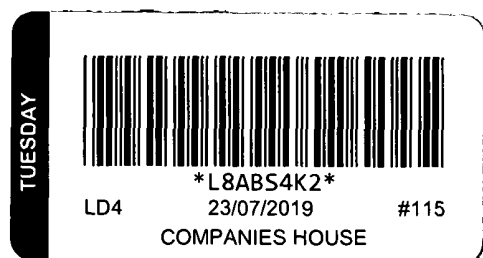


J N Bentley Limited

**Annual Report
for the year ended 31 December 2018**

Registered number 01085646



J N Bentley Limited

Annual Report

for the year ended 31 December 2018

Contents

<i>Directors and advisors</i>	2
<i>Strategic Report</i>	3
<i>Directors' Report</i>	7
<i>Independent Auditor's Report</i>	9
<i>Income statement</i>	11
<i>Statement of comprehensive income</i>	11
<i>Statement of financial position</i>	12
<i>Statement of changes in equity</i>	13
<i>Notes to the financial statements</i>	14

J N Bentley Limited

Directors and advisors

Directors

P R Bentley	(Managing Director)
J R Fitton	(Operations Director)
R Risdon	(Operations Director)
A J A Ridge	(Health and Safety Director)
J A Binns	(Commercial Director)
P R Cundill	(Commercial Director)
D M Bentley	(Commercial Director)
S C Tetlow	(Bidding & Estimating Director)
J M Greenwood	(Operations Director)
J Jeffery	(HR Director)
E G Roud FCA	(Director)
M D Haigh	(Director)
J H K Harris	(Director)
J D Rhodes ACA	(Finance Director)

Company Secretary

J D Rhodes ACA

Independent auditor

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

Registered office

Snaygill Industrial Estate
Keighley Road
Skipton
North Yorkshire
BD23 2QR

Registered number

01085646

Principal bankers

NatWest
280 Bishopsgate
London
EC2M 4RB

J N Bentley Limited

Strategic Report for the year ended 31 December 2018

The directors present their Strategic Report along with the audited financial statements of the company for the year ended 31 December 2018. J N Bentley Limited is a building and civil engineering contractor with primary focus on the water and wastewater sector. The majority of work being delivered as an integrated design and build solution via one of our two joint venture companies, Mott MacDonald Bentley (with Mott MacDonald Limited being a 25% shareholder) and JBA Bentley (with Jeremy Benn Associates Limited being a 25% Shareholder).

Review of the business

2018 was another year of impressive growth for the company. The business achieved record revenues of £307.9m which represented a 20% increase from 2017, itself a previous record.

As we go forward into 2019 we are expecting this rate of growth to moderate albeit with the majority of our 2019 budget already secured, via direct allocation within our existing frameworks.

Looking ahead, over the short- to medium-term the company will retain significant focus in the water and wastewater sector (and look to develop further revenue streams) whilst exploiting opportunities presented by its membership of the Mott MacDonald Group servicing blue chip clients and alternative sectors. Whilst the company has experienced a period of growth its focus remains on providing a quality and differentiated service to its existing client base.

85% of our work was delivered in the water and wastewater sector with six of the UK's largest water and sewerage companies. Managed in five-year 'AMP' cycles, 2018-19 represents the traditional peak of the AMP for many of these clients with work flow back-end loaded toward the later years of the cycle, accounting for the record increase in turnover. Particularly high rates of year-on-year growth were achieved in Severn-Trent Water (58%) and Dŵr Cymru Welsh Water (44%) as these frameworks realised their full revenue potential for the current AMP cycle. It was also encouraging to achieve considerable revenues from Rolls-Royce following award of this framework.

You need a significant and well trained and motivated workforce to deliver this growth: in 2018 we surpassed 1,500 employees for the first time. You will now find J N Bentley Limited people based on upward of 200 sites at any one time around the country, anywhere from Northumberland to Essex and in 10 office locations across the UK.

In-house provision of plant and machinery represents an important revenue stream for the business; levels of utilisation were maintained at 95% (2017: 95%). It is important that we continue to invest in this infrastructure and during 2018 over 157 significant items of plant and machinery were added to the fleet (2017: 140). We also continued the rolling replacement (and expansion) of our van fleet to meet the continued increase in activity levels on site and increase in employee numbers. Overall, our capital expenditure for the year totalled £6.8m.

The roll-out of our new ERP system, Xpedeon, continued in 2018 with further development and consolidation planned for 2019 with the expectation that the roll-out process will be concluded during the coming 12 months. The final areas for focus being HR and commercial management functionality and full transition across from the legacy systems in these areas. Over the coming 12 months we are also targeting ISO 27001 accreditation to consolidate the robust data security environment we now have following this investment in core systems.

Performance

For the year ended 31 December 2018, the company generated a profit on ordinary activities before taxation of £6.3m (2017: £8.3m) from turnover of £307.9m (2017: £257.3m). We expect to maintain this level of turnover in 2019, with substantially all of the work already secured. This healthy forward order book sees us enter 2019 in an enviable position, but we will guard against complacency and must remain at our very best in terms of delivery, safety and collaboration for our clients to continue placing their trust in us. This is especially vital as AMP7 water sector bidding concludes for the majority of our water company clients.

Operating margin for the year at 2.1% (2017: 3.2%) has been impacted by a small number of under-performing contracts across several of our frameworks. Maintenance of a strong set of operational control procedures and further enhancing the skill-set of our project delivery teams is seen as a key priority over the coming year to reverse this recent decline.

Our financial position remains strong and there remains no reliance upon external funding. As part of the Mott MacDonald Group the company manages its cash flow via a central treasury team with surplus funds passed upstream, accounted for as a loan and recorded within debtors.

The company continues to invest in the infrastructure of its businesses. These investments include additions to and renewals of the plant and equipment fleet, plus continued investment in commercial vehicles. The replacement of our core business IT systems continues to progress and is due for completion by 2020.

The company and its subsidiaries won or were shortlisted for an unprecedented 32 (2017: 23) different industry and client awards during the year, for technical quality, teamwork, health and safety performance, and customer service.

J N Bentley Limited

Strategic Report

for the year ended 31 December 2018 (continued)

Measurement

Supporting the key financial indicators noted above are a number of performance indicators both financial and non-financial, all of which are reported, reviewed and evaluated internally to ensure that business activities are monitored and controlled effectively. These indicators are reported to the Board (and staff where appropriate) monthly. Indicators include financial measures (such as turnover and direct margin by customer, internal recovery rates and overhead cost ratios and absolute spend levels, contract profitability, tender success and forward order book, working capital efficiency and net cash flow) and non-financial measures (such as health and safety statistics, staffing levels and turnover, training and development and measuring our impact upon the environment).

Principal risks and uncertainties facing the company

The principal risks facing the company along with the business controls in place to mitigate these are as follows:

Securing the forward workload

Delivering approximately 85% of our work in the water and wastewater sector, where work is awarded through the five-year AMP procurement process. Our existing frameworks for Yorkshire Water and Severn Trent Water terminate at the end of AMP6 (March 2020). We are currently in a rebidding phase for a replacement framework with Yorkshire Water and have been successful in our retender with Severn Trent Water. Our frameworks with our other four key water company clients (Dŵr Cymru Welsh Water, Northumbrian Water, United Utilities and Northumbrian Water) are all extendable into AMP7 and discussions with each are ongoing in this regard. We are also bidding for similar work with existing and new clients to consolidate our presence in the UK water and wastewater sector.

Our EA Water and Environmental Management (WEM) framework terminates in 2019 with work extending into 2020.

We are also consolidating our presence outside our core client base with work for both Rolls-Royce and Cadent delivering strong growth potential.

The relationship with Mott MacDonald continues to open new opportunities and we have seen more examples of collaboration with the wider Mott MacDonald Group. We will continue to investigate new avenues with Mott MacDonald in 2019, but only those that complement our business strategy and capabilities.

Overall, our forward order book, representing secured work within existing frameworks, totals some £288m.

The health, safety and well-being of our employees

Our vision for health and safety is to achieve zero injuries and to prevent occupational ill-health. This vision is underpinned by a fundamental belief that all workplace injuries and instances of occupational ill-health are preventable and that good health and safety management is good business. Our key health and safety message is, "If we cannot do it safely, we will not do it" – a message underpinned by rigorous, externally accredited management systems (OHSAS 18001 for occupational health and safety; ISO 9001 for quality; ISO 14001 for environment) presented in an engaging way to employees.

Our health and safety performance in 2018 represented a step-up to industry leading levels of engagement with an exponential increase in our reporting of unsafe acts and unsafe conditions to drive down our level of more serious incidents and, in particular, our incidence of serious near misses relative to the hours worked.

Health and safety KPIs	2018	2017	% change
Hours worked (million)	5.31	4.48	+19%
Unsafe acts or unsafe conditions reported	47,637	31,359	+52%
Serious near misses	66	75	-12%
First aid injuries	112	90	+24%
Medical treatment injuries and lost time injuries	15	13	+15%
RIDDOR reportable	7	7	-
Accident Frequency Rate	0.13	0.15	-

Our ongoing improvements have been underpinned by the 2017 refresh of our Health & Safety Strategy emphasising team and personal responsibilities. Timed to coincide with the major period of growth that we have since experienced, when standards do have the potential to slip as new people familiarise themselves with our expectations, the evolution of the Health & Safety Strategy saw every employee sign-up to their own set of Personal Safety Responsibilities and those in operational roles receive a set of updated Operational Safety Standards that define the minimum expectations for key tasks we deliver on site. We ran campaigns alongside the Strategy itself, demonstrating its practical applications, and heavily involved our supply chain and colleagues at Mott MacDonald.

J N Bentley Limited

Strategic Report for the year ended 31 December 2018 (continued)

Throughout 2018 we have been working on updating our internal accredited ISO 9001 and ISO 14001 procedures to meet the requirements of the revised 2015 standard. We expect to complete the successful transition to the standards in early 2019. Looking ahead we will start the work on revising our ISO 18001 standard to the recently published standard of ISO 45001 during 2019.

The maintenance of an efficient cost base

Good commercial performance is an essential component both in the short-term and when planning ahead for a secure and sustainable future. Every one of our clients is operating in a challenging environment, with key targets to meet. We must keep these targets in mind and work collaboratively to help them deliver value and remain compliant.

To reinforce the importance of good commercial performance we continued to embed our Cost & Efficiency Strategy in 2018. The Strategy is all about collective effort and making small savings across the board because every employee has a part to play when it comes to efficient delivery. The Strategy maintained its momentum in 2018, challenging employees to be passionate about reducing waste and driving efficiencies. Its aim is to save 5p in every £1 we spend by finding new, innovative ways to solve old problems, and becoming more efficient in the way we work.

Off the back of the Strategy and its tools (including Personal Commercial Responsibilities and 10 Cost & Efficiency 'Commitments'), we have seen an increase in the rate of commercial incident reporting in 2018 with 16,277 reports (2017: 10,349), a 57% year-on-year increase, with over 1,200 individuals logging at least one report. Measures like this demonstrate an engaged workforce and great commercial awareness – both key to the success of the business and our clients in 2019 and beyond.

There is also heavy focus on our fixed cost base with the Overhead Executive Group monitoring areas of overhead, labour and plant expenditure to drive costs down as a percentage of revenue, achieve value for money and optimise recoveries achieved via recharge.

The maintenance and enhancement of our skill base

People are J N Bentley Limited's most valuable resource – we care about them and want them to be happy. We do this by providing a positive, enjoyable and challenging workplace that develops skills and enables people to thrive. All our permanent employees benefit from the company bonus scheme and many of our more senior employees are also Mott MacDonald shareholders.

During the year 350 new people joined the business to help deliver our increasing workload, bringing with them a wealth of experience, energy and fresh ideas. In recent years we have considerably increased our apprenticeship offering, establishing the Bentley Academy to oversee career development. We now have 134 colleagues enrolled on apprenticeship courses and 91 on further education and professional development pathways; a further 150 are participating in our own internal development programmes. 16 colleagues passed professional qualifications with the support of the company in 2018.

We believe strongly in a direct-delivery model; in 2018 we carried out over 70% of work on projects using our in-house resources. This sets us apart from our competitors, and brings with it a higher quality of service because our people take great pride in delivery. Direct-delivery also means we can give opportunities to people and invest heavily in their development. Whilst we have recruited at all levels during the year we always look to promote from within and in 2018 a significant number of people stepped up into more senior positions.

The health, happiness and wellbeing of employees is important to us. Our wellbeing programme seeks to support and inform our workforce, providing them with a wealth of tools and information. Via an online benefits portal, employees have at their fingertips information on the benefits available to them; our quarterly prize draw continues to be popular, giving all employees the opportunity to win a share of a £25,000 wellbeing prize pot. Involving our people in the way JN Bentley operates is very important to us. This takes many different forms, from mentoring new employees to help welcome them to life at JN Bentley, to providing valuable feedback on future company decisions. Now employing almost 1,600 people, the opportunities for involvement as we move into 2019 have never been greater.

Financial risk management

The company makes little use of financial instruments other than an operational bank account and therefore its exposure to price risk, credit risk, liquidity risk and interest rate cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company. The business continues to generate sufficient cash flow to maintain its liquidity at acceptable levels. Any surplus funds are managed by the Group Treasury team at Mott MacDonald to maximise returns at a Group level and this is reflected as a loan in the balance sheet.

J N Bentley Limited

Strategic Report

for the year ended 31 December 2018 (continued)

Brexit

The Board has considered the possible impact of the UK's exit from the European Union and any attendant business risk. Mott MacDonald has also placed significant focus on this area and considered the J N Bentley Limited position as part of its own Brexit impact assessment. Relative to others in the UK engineering and construction sector the Board considers there to be low risk attaching to Brexit. Key matters relating to the Board's assessment of Brexit related risk are as follows:

- A relatively low proportion of the workforce being EU nationals. Furthermore, the Board are of the view that the nature and geography of our work will moderate the extent to which the workforce might seek opportunities in those parts of the UK construction sector that could be more significantly affected by post-Brexit skills shortages (e.g. major projects within the M25).
- The business has a wholly UK based customer base and UK projects. Furthermore, few of our customers have any significant overseas exposure themselves.
- A relatively low proportion of materials are directly supplied from overseas with associated import or duty risks. On live projects where such a risk exists our project management approach is to design a 'plan to protect' the project that would minimise the impact late deliveries might have.
- The business has diverse and complex supply chain. There is an obvious risk that our own UK supply chain partners could face upstream supply chain risk as result of material shortages in the event of a no deal Brexit. However, our approach to supply chain risk management seeks to minimise the risk from single supplier sourcing and in any case monitor specific upstream supply chain issues as and when they occur as part of our regular approach to business planning and risk management.
- The majority of our plant is overseas manufactured and reliant on imported spare parts. The plant department has enhanced its sourcing arrangements to mitigate any risks arising but use of third party plant providers also provides flexibility to deal with any issues that arise within the fleet.

On behalf of the Board



P R Bentley
Director
10 July 2019

J N Bentley Limited

Directors' Report for the year ended 31 December 2018

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

P R Bentley	(Managing Director)
J R Fitton	(Operations Director)
R Risdon	(Operations Director)
A J A Ridge	(Health and Safety Director)
J A Binns	(Commercial Director)
P R Cundill	(Commercial Director)
D M Bentley	(Commercial Director)
S C Tetlow	(Bidding & Estimating Director)
J M Greenwood	(Operations Director)
J Jeffery	(HR Director)
E G Roud FCA	(Director)
M D Haigh	(Director)
J H K Harris	(Director)
J D Rhodes ACA	(Finance Director)

Appointed 20th December 2018

Employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

The company is firmly committed to the principles of employee involvement and consultation. In this regard, the company aims to ensure that the views of employees are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the performance of the company and their or their team's contribution to that achievement. Communication with all employees is undertaken via a combination of newsletters, the company intranet, regular company-wide safety seminars and our employee consultation forum - Be Heard.

Results

The company made a profit for the financial year of £5.2m (2017: £6.6m).

Dividends

A dividend of £2,500,000 (2017: £6,000,000) was paid during the year.

Going concern

The financial statements have been prepared on a going concern basis. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and a letter of support has been received from Mott MacDonald Limited confirming that they would not require their liabilities to be paid if to do so would cause this company to not be able to meet its liabilities as they fall due for a period of at least twelve months from the date of signing of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the Directors' report and financial statements.

Statement of Directors' Responsibilities

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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 judgements 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;
- 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.

J N Bentley Limited

Directors' Report for the year ended 31 December 2018 (continued)

The directors confirm that:


- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor

The auditors, Grant Thornton UK LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



P R Bentley
Director
10 July 2019

J N Bentley Limited

Independent Auditor's Report to the members of J N Bentley Limited

Opinion

We have audited the financial statements of J N Bentley Limited (the 'company') for the year ended 31 December 2018 which comprise the Income statement, Statement of comprehensive income, Statement of financial position, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

J N Bentley Limited

Independent Auditor's Report to the members of J N Bentley Limited

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 7-8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Peter Gamson ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
11 July 2019

J N Bentley Limited

Income Statement for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Turnover	5	307,916	257,300
Cost of sales		(295,355)	(242,742)
Gross Profit		12,561	14,558
Administrative expenses		(6,218)	(6,220)
Operating profit	6	6,343	8,338
Net interest receivable	9	36	12
Other finance cost	22	(111)	(92)
Profit on ordinary activities before taxation		6,268	8,258
Tax on profit on ordinary activities	10	(1,088)	(1,646)
Profit for the financial year		5,180	6,612

All amounts relate to continuing operations.

Statement of comprehensive income for the year ended 31 December 2018

		2018 £'000	2017 £'000
Profit for the financial year		5,180	6,612
Actuarial gain / (loss) on pension scheme liability	22	962	(500)
Movement on deferred tax relating to pension liability	10	(210)	129
Total comprehensive income for the year		5,932	6,241

The notes on pages 14 to 29 form part of these financial statements.

J N Bentley Limited

Statement of financial position at 31 December 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Tangible assets	13	15,077	13,034
Intangible assets	12	688	747
Investments	14	61	61
		15,826	13,842
Current assets			
Stocks	15	119	98
Debtors	16	59,406	59,244
Cash at bank and in hand		1,255	6,570
		60,780	65,912
Creditors: amounts falling due within one year	17	(58,896)	(64,288)
Net current assets		1,884	1,624
Total assets less current liabilities		17,710	15,466
Creditors: amounts falling due after more than one year	18	(157)	(111)
Net assets excluding pension liability		17,553	15,355
Pension liability	22	(3,373)	(4,607)
Net assets including pension liability		14,180	10,748
Capital and reserves			
Called up share capital	20	9	9
Share premium account		4	4
Profit and loss account		14,167	10,735
Total shareholders' funds		14,180	10,748

The notes on pages 14 to 29 form part of these financial statements.

The financial statements on pages 11 to 29 were approved by the board of directors on 10 July 2019 and were signed on its behalf by:



P R Bentley
Director

J N Bentley Limited

Statement of changes in equity for the year ended 31 December 2018

	2018 £'000	2017 £'000
Called up share capital (note 20)		
At 1 January	9	9
At 31 December	9	9
Share premium account		
At 1 January	4	4
At 31 December	4	4
Profit and loss account		
At 1 January	10,735	10,494
Profit for the financial year	5,180	6,612
Actuarial loss on pension scheme liability (note 22)	962	(500)
Movement on deferred tax relating to pension liability (notes 10 & 19)	(210)	129
Dividends paid (note 11)	(2,500)	(6,000)
At 31 December	14,167	10,735
Total capital and reserves	14,180	10,748

The notes on pages 14 to 29 form part of these financial statements.

**Notes to the financial statements
for the year ended 31 December 2018**

1 Company information

J N Bentley Limited is a company registered in England and Wales with registered number 01085646. The registered office is Keighley Road, Skipton, North Yorkshire, BD23 2QR.

2 Basis of preparation

These financial statements have been prepared under the historical cost basis and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102").

The presentational and functional currency is the British Pound Sterling.

The company has adopted the exemption from disclosing a statement of cash flows and the related notes in accordance with Section 1.11 of FRS102. The equivalent disclosure is included in the consolidated financial statements of the company's ultimate parent undertaking, Mott MacDonald Group Limited.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and a letter of support has been received from Mott MacDonald Limited confirming that they would not require their liabilities to be paid if to do so would cause this company to not be able to meet its liabilities as they fall due for a period of at least twelve months from the date of signing these financial statements. Accordingly, the company continues to adopt the going concern basis in preparing the financial statements.

3 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements have been made include;

Contract accounting and recovery of receivables

The company's contract accounting policy is central to how it values the work it has carried out in each financial year. This policy requires forecasts to be made on the projected outcomes of projects. These forecasts require assessments and judgements to be made on changes in work scopes, changes in costs, costs to completion and recoverability of debts. Confidence relating to the final outcome of a project is expected to be achieved when the project is around 75% complete but should not be later than 95%. While the assumptions made are based on professional judgements, subsequent events may mean that estimates calculated prove to be inaccurate, with a consequent effect on the reported results.

Useful economic lives of fixed assets

Estimated useful economic lives of fixed assets are based on management's judgement and experience. When management identifies that actual useful lives differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively. Asset lives and residual values are reviewed annually and historically changes to remaining estimates of useful lives have not been material.

Defined benefit pension scheme

The cost of the company's defined benefit plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, inflation and mortality rate. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of the plan, such estimates are subject to significant uncertainty. Further details are given in note 22.

4 Principal accounting policies

Turnover, amounts recoverable on contracts and payments on account in relation to construction contracts

Turnover represents the sum of invoiced sales to customers and the sales value of work done but not yet billed on incomplete contracts, net of Value Added Tax.

Contract costs are recognised when incurred.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. 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
for the year ended 31 December 2018

4 Principal accounting policies (continued)

The company uses the "percentage of completion method" to determine the appropriate amount of profit to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the statement of financial position date as a percentage of the total estimated costs for each contract. Costs incurred in the year relating to future activity on a contract are excluded from contract costs in determining the stage of completion. Costs in relation to future activity are recognised as an asset provided it is probable that they will be recovered. Any costs where recovery is not probable are expensed immediately.

The company presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retentions held by customers are included within trade debtors.

The company presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses). Any such liabilities are included as payments received on account within creditors: amounts falling due within one year.

Stock

Stock represents raw materials and consumables, spares, personal protective clothing and other consumable site related items and is stated at the lower of cost and estimated realisable value.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is provided at the following rates in order to write off the assets over their expected useful economic lives:

Leasehold improvements	Duration of lease (64 months)
Plant and machinery & motor vehicles	10-25% on a straight line basis
Fixtures and fittings	25% on a straight line basis

Intangible fixed assets

Intangible fixed assets are stated at historical cost less accumulated amortisation.

Amortisation is provided at the following rates to write off the assets over their expected useful economic lives:

IT software and licences	25% on a straight line basis
--------------------------	------------------------------

Taxation

UK corporation tax is provided on amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences at the statement of financial position date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date and are expected to apply to the reversal of the timing difference.

The tax expense (income) is presented either in the income statement, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

**Notes to the financial statements
for the year ended 31 December 2018**

4 Principal accounting policies (continued)

Pensions

Pension costs charged against operating profit for the defined contribution scheme are the contributions payable in respect of the accounting period.

The company operates a funded, defined benefit pension scheme which is now closed to future accrual of benefits and the surpluses or deficits are determined by the actuaries.

Scheme assets are measured at fair values. Fair value is based on market price information and in the case of quoted securities is the published bid price. Scheme liabilities are measured on an actuarial basis using the Projected Unit Credit method and are discounted at appropriate high quality corporate bond rates. The surplus or deficit is presented separately from other assets and liabilities on the statement of financial position, with the corresponding deferred tax asset or liability disclosed within debtors or provisions for liabilities. A surplus is recognised only to the extent that it is recoverable by the company.

The cost of providing benefits under the defined benefit plan is determined separately using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occurs, the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate at the start of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in the income statement as other finance income or cost. Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the income statement in subsequent periods.

Cash flow statement

In accordance with FRS 102 paragraph 1.12(b) the company has not prepared a cash flow statement since a consolidated cash flow statement is included within the financial statements of its ultimate parent undertaking, Mott MacDonald Group Limited.

Operating leases

The cost of operating leases is charged to the income statement on a straight line basis over the term of the lease.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the statement of financial position and depreciated over the shorter of the lease term and the assets' useful lives. If there is a reasonable certainty that the company will obtain ownership of the asset by the end of the lease term, the asset is depreciated over its useful life. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the statement of financial position. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement to achieve a constant rate of interest in the remaining balance of the liability.

Rentals payable under operating leases are charged in the income statement on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment. The financial statements contain information about Mott MacDonald Bentley Limited and JBA Bentley Limited as individual companies and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the full consolidation of their ultimate parent company, Mott MacDonald Group Limited.

Cash at bank and in hand

Cash at bank and in hand comprises cash balances held with qualifying financial institutions and short term deposits which can be liquidated by the company without material penalties being incurred.

J N Bentley Limited

Notes to the financial statements for the year ended 31 December 2018

4 Principal accounting policies (continued)

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Rental income

Rental income is derived from short term property leases and is recognised over the term of the lease.

Dividends

Dividends are recognised in the accounting period in which they are approved.

Derivative financial instruments

The company has taken the exemption from disclosure of financial instruments on the basis that the relevant disclosures are included within the financial statements of its ultimate parent undertaking, Mott MacDonald Group Limited.

5 Turnover

The turnover and profit on ordinary activities before taxation are attributable to the principal activities of the company and have all arisen in the United Kingdom. In the opinion of the directors these activities constitute a single class of business. As a consequence, no segmental reporting is offered.

6 Operating profit

	2018 £'000	2017 £'000
Operating profit is stated after charging/(crediting)		
Depreciation of tangible fixed assets:		
Owned assets	4,266	3,141
Assets held under finance leases	318	579
Amortisation of intangible fixed assets (note 12)	319	239
Operating lease rentals		
Buildings	786	713
Motor cars	1,289	1,632
Profit on disposal of tangible fixed assets	(555)	(1,238)
Rental income	(272)	(253)
Auditor's fees – audit services	35	28

Fees paid to Grant Thornton UK LLP for non-audit services were £nil (2017: £nil).

J N Bentley Limited

Notes to the financial statements for the year ended 31 December 2018

7 Employee costs (excluding directors)

	2018 £'000	2017 £'000
Wages and salaries	60,822	49,176
Social security costs	6,305	5,121
Defined benefit pension scheme – current service cost (note 22)	7	7
Defined contribution pension costs	2,761	2,188
Staff costs	69,895	56,492

The average monthly number of persons (excluding the directors) employed by the company during the year was:

	2018 Number	2017 Number
By activity		
Office, management and site management	921	753
Construction	566	465
	1,487	1,218

8 Directors' emoluments

	2018 £'000	2017 £'000
Directors' emoluments	1,811	1,779
Social security costs	238	222
Defined contribution pension costs	158	180
	2,207	2,181

The emoluments (excluding pension contributions) of the highest paid director were £311,776 (2017 - £309,763).

During the year £158,266 (2017 - £178,927) of contributions were paid to the Group Personal Pension Plan in respect of 8 directors (2017 - 8), of which £nil (2017 - £nil) related to the highest paid director. Some of the directors also have benefits under the closed defined benefit plan.

J N Bentley Limited

Notes to the financial statements for the year ended 31 December 2018

9 Net interest receivable

	2018 £'000	2017 £'000
Interest payable on finance leases	(11)	(24)
Other	(27)	(8)
Interest payable	(38)	(32)
Interest receivable upon deposits with the intermediate holding company	55	35
Interest receivable on bank deposits	19	9
Interest receivable	74	44
Net interest receivable	36	12

10 Tax on profit on ordinary activities

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax on profits for the year	1,295	1,610
Adjustment in respect of prior years	(104)	(72)
Total current tax	1,191	1,538
Deferred tax - origination and reversal of timing differences	(106)	69
- adjustment in respect of prior years	3	39
Total deferred tax (note 19)	(103)	108
Tax on profit on ordinary activities	1,088	1,646

The tax assessed for the year is lower (2017: higher) than the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%). The differences are explained as follows:

**Notes to the financial statements
for the year ended 31 December 2018**

10 Tax on profit on ordinary activities (continued)

Reconciliation of total tax charge:

	2018 £'000	2017 £'000
Profit on ordinary activities before tax	6,268	8,258
Expected tax on profits at 19.00% (2017: 19.25%)	1,191	1,590
Effects of:		
Expenses not deductible for tax purposes	38	48
Adjustment in respect of prior years	(101)	(33)
Rate difference – Deferred tax	12	(9)
Pension scheme adjustments	(52)	50
Total tax charge	1,088	1,646

A reduction in the UK corporation tax rate from 20% to 19% took effect from 1 April 2017. A further reduction in the UK corporation tax rate to 17% from 1 April 2020 was substantively enacted in September 2016. This reduction has been taken into account in calculating the deferred tax assets and liabilities included in the statement of financial position.

Tax included in statement of comprehensive income

	2018 £'000	2017 £'000
The tax charge / (credit) is made up as follows:		
Deferred tax		
Actuarial gain / (loss) on pension scheme (note 19)	210	(129)

11 Dividends

	2018 £'000	2017 £'000
Equity – ordinary		
Interim paid £287.36 (2017: £689.66) per £1 share	2,500	6,000

J N Bentley Limited

Notes to the financial statements for the year ended 31 December 2018

12 Intangible fixed assets

	IT software and licences £'000
Cost	
At 1 January 2018	1,095
Additions	260
At 31 December 2018	1,355
Accumulated depreciation	
At 1 January 2018	348
Charge for the year	319
At 31 December 2018	667
Net book amount	
At 31 December 2018	688
At 31 December 2017	747

13 Tangible fixed assets

	Leasehold improvements £'000	Plant and machinery & motor vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 January 2018	778	17,943	1,660	20,381
Additions	103	6,464	273	6,840
Disposals	-	(1,705)	(152)	(1,857)
At 31 December 2018	881	22,702	1,781	25,364
Accumulated depreciation				
At 1 January 2018	328	5,959	1,060	7,347
Charge for the year	151	4,147	286	4,584
Disposals	-	(1,492)	(152)	(1,644)
At 31 December 2018	479	8,614	1,194	10,287
Net book amount				
At 31 December 2018	402	14,088	587	15,077
At 31 December 2017	450	11,984	600	13,034

J N Bentley Limited

Notes to the financial statements for the year ended 31 December 2018

13 Tangible fixed assets (continued)

Assets held under finance leases and capitalised in plant and machinery:

	2018 £'000	2017 £'000
Cost	1,687	1,971
Accumulated depreciation	(387)	(420)
Net book amount	1,300	1,551

14 Fixed asset investments

	2018 £'000	2017 £'000
Shares in joint venture undertakings	2	2
Loan to joint venture undertakings	59	59
	61	61

The joint venture undertakings are Mott MacDonald Bentley Limited, 75% - owned, incorporated in England and Wales, operating as civil engineering contractors and JBA Bentley Limited, 75% - owned, incorporated in England and Wales, also operating as civil engineering contractors. In the opinion of the directors the value of these investments is not less than the amounts shown above.

Interest in subsidiary undertakings

Name of undertaking	Proportion of nominal value of issued share capital held by the company %	Principal business activity
Mott MacDonald Bentley Limited	75	Civil engineering contractors
JBA Bentley Limited	75	Civil engineering contractors

The above holdings represent ordinary shares and are based at the same address as J N Bentley Limited.

Joint venture undertakings

The company's interest in its joint venture, Mott MacDonald Bentley Limited, is as follows:

	2018 £'000	2017 £'000
Turnover	216,167	180,856
Profit before tax, Taxation & Profit after tax	-	-
Current assets	26,903	20,522
Liabilities due within one year	(26,902)	(20,521)

J N Bentley Limited

Notes to the financial statements for the year ended 31 December 2018

14 Fixed asset investments (continued)

The company's interest in its joint venture, JBA Bentley Limited, is as follows:

	2018 £'000	2017 £'000
Turnover	21,684	21,643
Profit before tax, Taxation & Profit after tax	-	-
Current assets	2,184	1,647
Liabilities due within one year	(2,184)	(1,647)

15 Stocks

	2018 £'000	2017 £'000
Raw materials and consumables	119	98

Stock recognised in cost of sales during the year as an expense was £203,507 (2017 - £340,256).

16 Debtors

	2018 £'000	2017 £'000
Trade debtors	15,207	10,498
Amounts owed by intermediate holding company	5,884	10,916
Amounts owed by joint venture undertakings	376	15
Amounts recoverable on contracts	1,417	3,779
Amounts recoverable on contracts from joint venture undertakings	34,313	32,140
Deferred tax assets (note 19)	584	691
Other debtors	54	38
Prepayments and accrued income	1,571	1,167
	59,406	59,244

The amounts owed by intermediate holding company is a loan to Mott MacDonald Limited. Interest on this loan is payable at the three-month LIBID interest rate.

Trade debtors are stated after provisions for impairment of £nil (2017: £nil).

J N Bentley Limited

Notes to the financial statements for the year ended 31 December 2018

17 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	22,254	18,291
Amounts owed to intermediate parent company	335	335
Payments received on account	949	4,771
Payments received on account from joint venture undertakings	4,993	7,790
Finance leases (note 21)	450	521
Corporation tax	3,027	2,825
Other taxation and social security	4,578	2,056
Other creditors	509	386
Accruals and deferred income	21,801	27,313
	58,896	64,288

Amounts due to intermediate parent company are unsecured, interest free, have no fixed date of repayment and are renewable on demand.

18 Creditors: amounts falling due after more than one year

	2018 £'000	2017 £'000
Finance leases (note 21)	157	111

19 Deferred tax

The deferred tax asset comprises

	2018 £'000	2017 £'000
(Decelerated) / accelerated capital allowances	(11)	92
Short term timing differences	-	-
Deferred tax excluding that relating to pension liability	(11)	92
Pension liability (note 22)	(573)	(783)
Deferred tax asset	(584)	(691)

J N Bentley Limited

Notes to the financial statements for the year ended 31 December 2018

19 Deferred tax (continued)

	2018 £'000	2017 £'000
As at 1 January	(691)	(670)
Deferred tax charge in income statement (note 10)		
- Current year	(106)	69
- Prior year adjustment	3	39
Charge recognised within the statement of comprehensive income (note 10)	210	(129)
As at 31 December (note 16)	(584)	(691)

The amount of the net reversal of deferred tax expected to occur next year is £nil (2017 - £nil).

20 Called up share capital

Authorised	2018 £'000	2017 £'000
7,800 Ordinary shares of £1 each	8	8
2,200 "A" non-voting shares of £1 each	2	2
	10	10

Allotted and fully paid

7,800 Ordinary shares of £1 each	8	8
900 "A" non-voting shares of £1 each	1	1
	9	9

The "A" non-voting shares of £1 each have no voting rights. They have identical dividend rights and rights on winding up to the ordinary shares of £1 each.

21 Obligations under leases

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

	Land and buildings 2018 £'000	Land and buildings 2017 £'000	Other 2018 £'000	Other 2017 £'000
Amounts payable:				
Within one year	761	717	1,015	958
In two to five years	2,718	2,754	896	833
Over five years	541	1,187	-	-
	4,020	4,658	1,911	1,791

J N Bentley Limited

Notes to the financial statements for the year ended 31 December 2018

21 Obligations under leases (continued)

Obligations under finance leases, included within creditors, are analysed as follows:

	2018 £'000	2017 £'000
Amounts repayable:		
Within one year (note 17)	450	521
In two to five years (note 18)	157	111
	607	632

22 Pension commitments

Pensions

The company sponsors the J N Bentley Limited Pension and Life Assurance Scheme which is a defined benefit arrangement. During the year ended 31 December 2007, the scheme was closed to future accrual.

A comprehensive actuarial valuation of the Scheme was carried out as at 1 July 2017, which has been updated to 31 December 2018 by a qualified independent actuary.

The results of the triennial valuation showed a deficit in the level of funding required to cover the schemes' technical provisions, the funding level being 66%. As a consequence of this funding shortfall, the company has updated its Recovery Plan to address this shortfall resulting in an anticipated elimination of the deficit by March 2028.

The employer made contributions totalling £390,000 in the year ended 31 December 2018 towards shortfall funding. The employer would expect to make further contributions totalling £600,000 in the year beginning 01 January 2019.

Present values of scheme liabilities, fair value of assets and (deficit)/surplus

	31 December 2018 £'000	Restated 31 December 2017 £'000
Fair value of plan assets	11,300	10,719
Present value of funded obligations	(14,673)	(15,326)
Pension liability (excluding deferred tax)	(3,373)	(4,607)
Deferred tax included within debtors (note 19)	573	783
Amounts recognised within income statement for the year (see page 27)	(111)	(642)
Amounts recognised within the statement of other comprehensive income (see page 27)	962	(500)

The pension plan assets do not include ordinary shares issued by the employer nor do they include property occupied by the sponsoring employer.

J N Bentley Limited

Notes to the financial statements for the year ended 31 December 2018

22 Pension commitments (continued)

Reconciliation of opening and closing balances of the present value of the scheme liabilities

	Year ended 31 December 2018 £'000	Restated Year ended 31 December 2017 £'000
Scheme liabilities at 01 January	15,326	13,494
Past service cost	-	550
Interest cost	379	337
Actuarial (gain) / loss	(719)	1,016
Benefits paid, death in service insurance premiums and expenses	(313)	(71)
Scheme liabilities at 31 December	14,673	15,326

Reconciliation of opening and closing balances of the fair value of scheme assets

	Year ended 31 December 2018 £'000	Restated Year ended 31 December 2017 £'000
Fair value of scheme assets at 1 January	10,719	9,646
Interest income	268	245
Return on Scheme assets, excluding amounts included in interest income	243	516
Contributions by employer	390	390
Administration fee paid from Scheme assets	(7)	(7)
Benefits paid	(313)	(71)
Fair value of scheme assets at 31 December	11,300	10,719
Actual return on scheme assets	511	761

Analysis of amounts recognised in the income statement are as follows:

	31 December 2018 £'000	Restated 31 December 2017 £'000
Operating profit		
Current service cost	-	-
Past service cost	-	550
Total operating charge	-	550
Other finance cost		
Interest expense	379	337
Interest income	(268)	(245)
Net expense	111	92
Total recognised in income statement	111	642

Notes to the financial statements
for the year ended 31 December 2018

22 Pension commitments (continued)

Analysis of amounts taken to other comprehensive income are as follows:

	31 December 2018 £'000	Restated 31 December 2017 £'000
Return on Scheme assets, excluding amounts included in interest income	243	516
Remeasurement gains / (losses) on the defined benefit obligation - changes in assumption	719	(1,016)
Remeasurement gains / (losses) recognised in other comprehensive income	962	(500)

The figures for 2017 have been restated to include the value of insurance policies that exactly match the amount and timing of the benefits payable under the Scheme to those current pensioners whose pensions are fully secured in immediate annuity policies.

Assets

The major categories of plan assets as a percentage of total plan assets are as follows:

	As at 2018 % total plan assets	As at 2017 % total plan assets
Unitised With-Profits policy	100.0%	100.0%

Financial assumptions

	31 December 2018	31 December 2017
Discount rate	2.90% pa	2.50% pa
RPI inflation assumption	3.30% pa	3.30% pa
Pension increases in payment:		
- RPI, maximum 5%, minimum 3%	3.60% pa	3.60% pa
- RPI, maximum 2.5%	2.50% pa	2.50% pa

Demographic assumptions

(i) Assumed life expectancy in years, on retirement at 65:

	As at 31 December 2018	As at 31 December 2017
Retiring today:		
- Males	22.5	22.7
- Females	24.8	24.9
Retiring in 20 years:		
- Males	23.9	24.1
- Females	26.2	26.3

(ii) Pre-retirement mortality rates:

	Males	Females
Age, x		
- 30	0.0010	0.0006
- 40	0.0020	0.0014
- 50	0.0038	0.0023
- 60	0.0054	0.0035

J N Bentley Limited

Notes to the financial statements for the year ended 31 December 2018

23 Other related party disclosures

Mott MacDonald Bentley Limited ('MMB') - 75% owned

During the year the company derived £262,085,000 (2017: £210,656,000) of its turnover from work done for MMB. The amounts recoverable on contracts due from MMB are disclosed in note 16. Payments on account due to MMB are disclosed in note 17.

JBA Bentley Limited ('JBAB') - 75% owned

During the year the company derived £25,160,000 (2017: £26,052,000) of its turnover from work done for JBAB. The amounts recoverable on contracts due from JBAB are disclosed in note 16. Payments on account due to JBAB are disclosed in note 17.

The company has taken advantage of the exemptions under the terms of FRS102 not to disclose transactions with other group companies and key management personnel compensation in total.

The directors represent key management personnel for the purposes of the FRS102 related party disclosure requirements and their compensation is disclosed in note 8.

24 Ultimate parent company

The directors regard Mott MacDonald Group Limited, a company incorporated in England and Wales, as the ultimate parent undertaking and controlling party. The immediate parent undertaking is Bentley Holdings Limited, a company incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that of Mott MacDonald Group Limited, the ultimate parent undertaking. Copies of Mott MacDonald Group Limited consolidated financial statements can be obtained from the Company Secretary at Mott MacDonald House, 8-10 Sydenham Road, Croydon, CR0 2EE.