

Currie & Brown (Japan) Limited

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR

ENDED 31 DECEMBER 2016

TUESDAY



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Currie & Brown (Japan) Limited
Financial statements for the year ended 31 December 2016

Company Information

Directors	D A Broomer R Fuller E Tan
Company Secretary	S Hogg
Registered Number	01593542
Registered Office	60 Gray's Inn Road London WC1X 8AQ
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF
Bankers	Citibank 2F Hiroo Plaza 5-6-6 Hiroo Shibuya-ku Tokyo 150-0012

Currie & Brown (Japan) Limited
Financial statements for the year ended 31 December 2016

Contents

	Page
Strategic Report	1
Directors' Report	3
Directors' Responsibilities Statement	5
Independent Auditor's Report	6
Statement of profit or loss and other comprehensive income	8
Balance Sheet	9
Statement of Changes In Equity	10
Notes to the Financial Statements	11

Strategic Report

The directors present their strategic report for the year ended 31 December 2016.

Principal activities

The principal activities of the company continue to be that of carrying on the business of Quantity Surveyors, Cost Consultants and Project Managers in Japan, Australia and the Far East.

Results for the Year and Business Review

The profit for the year after taxation is £338,267 (2015: £70,213). The business has benefited from strengthened relationships with major blue chip technical sector clients which have resulted in the increased profitability in 2016 and reflected in the future order book. As a result of improved trading conditions, the balance sheet has improved net assets which at 31 December 2016 were £339,652 (2015: £1,385).

Key performance indicators

Key performance measures have been identified to bring focus to the delivery of the company's objectives, including the following:

- Turnover growth
- Gross and net margins
- Cash generation and working capital control
- Training delivery and uptake

The long-term objective continues to be to grow profits, margins and cash. The Board continues to monitor performance and to take action wherever necessary.

Principal risks and uncertainties

During the year, the company operated as part of the Currie & Brown group of companies, and the directors identified the following risks and uncertainties:

Delivery risk

The company manages the delivery of its services to its clients by implementing controls to monitor project progress and profitability.

Credit risk

In order to manage credit risk, all significant new clients are required to be referred to the company's Credit Control function for a financial reference. In addition, Credit Control also reviews overdue balances on a daily, weekly and monthly basis with weekly reports sent to the Board.

Currency risk

The company is exposed to foreign exchange risk. Transaction exposures, including those associated with forecast transactions, are hedged when known, by holding designated foreign currency cash balances against future known commitments.

Liquidity risk

Strategic Report (continued)

The Company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'D A Broome', written over a horizontal line.

D A Broome
Director
21 September 2017

Directors' Report

The directors present their report for the year ended 31 December 2016.

Directors

The directors who served the company during the year and up to the date of this report are set out below.

Mr D A Broomer
Mr R Fuller
Mr E Tan

Dividends

The directors do not recommend payment of a dividend (2015: nil).

Future Developments

The long term objective continues to be grow profits, margins and cash. This is an integral part of the wider Currie & Brown Asia Pacific (APAC) region objectives of growth in new sectors and diversification of service delivery. Our Japanese business has further consolidated its position within the APAC business supporting regional and global clients.

Going Concern

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual reports and financial statements.

Indemnity insurance

The group has purchased insurance for the directors and officers of the company against liability arising for wrongful acts in relation to the company, subject to the conditions set out in s234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Disabled 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 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 and career development and promotion to disabled employees wherever appropriate.

Directors' Report (continued)

Disclosure of information to auditors

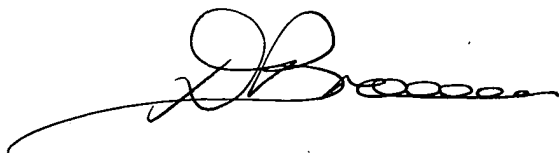
The Directors who were members of the board at the time of approving the Directors' Report are listed above. Having made enquiries of fellow Directors and the Company's auditors, each of these Directors confirms that:

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- They have taken all the steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditor

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the meeting of the Board of Directors for reappointment of Ernst & Young LLP as auditors of the company.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'D A Broome', with a long horizontal flourish extending to the right.

D A Broome
Director
21 September 2017

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors 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 prepared the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and Applicable Laws) including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Under company law the directors must not approve the financial statements until 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS101 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.

Independent auditor's report to the members of Currie & Brown (Japan) Limited

We have audited the financial statements of Currie & Brown (Japan) Limited for the year ended 31 December 2016, which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

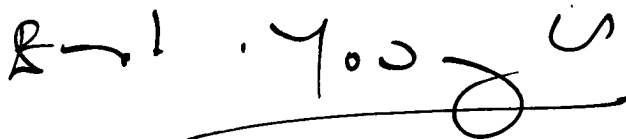
Independent auditor's report to the members of Currie & Brown Japan Limited (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

A handwritten signature in black ink, appearing to read 'Adrian Mulea', with a horizontal line drawn underneath it.

*Adrian Mulea (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
21 September 2017*

Statement of profit or loss and other comprehensive income

	Notes	2016 £	2015 £
Turnover	3	2,331,610	1,659,475
Cost of sales		(1,859,450)	(1,309,258)
Gross profit		472,160	350,217
Administrative expenses		(120,176)	(237,705)
Operating Profit	4	351,984	112,512
Interest receivable and similar income		60	15
Profit before income tax		352,044	112,527
Tax expense	7	(22,331)	(42,314)
Profit for the year		329,713	70,213
All of the activities of the company are classed as continuing.			
Other comprehensive income			
Foreign exchange translation difference		8,554	-
Other comprehensive income for the year		8,554	-
Total comprehensive profit for the year		338,267	70,213

Currie & Brown (Japan) Limited
Financial statements for the year ended 31 December 2016

Balance sheet

	<u>Notes</u>	<u>2016</u> £	<u>2015</u> £
Fixed Assets			
Tangible assets	8	18,147	11,585
		<u>18,147</u>	<u>11,585</u>
Current assets			
Debtors:			
Amounts falling due within one year	9	669,018	435,292
		<u>669,018</u>	<u>435,292</u>
Cash at bank and in hand		337,357	324,413
		<u>1,006,375</u>	<u>759,705</u>
Creditors: amounts falling due within one year	10	(684,870)	(769,905)
Net current assets / (liabilities)		<u>321,505</u>	<u>(10,200)</u>
Total assets less current liabilities		<u>339,652</u>	<u>1,385</u>
Net assets		<u><u>339,652</u></u>	<u><u>1,385</u></u>
Capital and Reserves			
Called up share capital	12	25,000	25,000
Profit and loss account		291,312	(23,615)
Foreign currency translation reserve		23,340	-
Total equity		<u><u>339,652</u></u>	<u><u>1,385</u></u>

The financial statements were authorised for issue by the board of directors on 21 September 2017 and were signed on its behalf.



.....
David Broome
Director

Date: 21 September 2017

Currie & Brown (Japan) Limited
Financial statements for the year ended 31 December 2016

Statement of changes in equity

	Share capital	Profit & loss account	Foreign currency translation reserve	Total
	£	£	£	£
As at 1 January 2015	25,000	(93,828)	-	(68,828)
Profit for the year	-	70,213	-	70,213
Other comprehensive income	-	-	-	-
As at 31 December 2015	25,000	(23,615)	-	1,385
 As at 1 January 2016	 25,000	 (23,615)	 -	 1,385
Prior year OCI exchange adjustment	-	(14,786)	14,786	-
Profit for the year	-	329,713	-	329,713
Other comprehensive income	-	-	8,554	8,554
As at 31 December 2016	25,000	291,312	23,340	339,652

Notes to the financial statements

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Currie & Brown Japan Limited (the "Company") for the year ended 31 December 2016 were authorised for issue by the board of directors on 21 September 2017 and the balance sheet was signed on the board's behalf by David Broomer. Currie & Brown Japan Limited is incorporated and domiciled in England and Wales.

2. Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosures Framework' (FRS 101). The financial statements have also been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to FRS 101.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2016.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) *the requirements of IFRS 7 Financial Instruments: Disclosures; and*
- (b) *the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;*
- (c) *the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;*
- (d) *the requirements of IAS 7 Statement of Cash Flows;*
- (e) *the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;*
- (f) *the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and*
- (g) *the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and*
- (h) *the requirements of paragraphs 134(d) - 134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.*

The company's results and the relevant equivalent disclosures have been included in the consolidated financial statements of Currie & Brown Holdings Limited. Copies of the consolidated financial statements can be obtained from the address in Note 13 to the financial statements.

Going Concern

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual reports and financial statements.

Notes to the financial statements (continued)

2.2 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Deferred Tax Assets

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 7.

The following estimates are dependent upon assumptions that could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date:

Carrying value of trade receivables and other debtors

Assumptions have been made with regard to the appropriateness of the carrying value of trade receivables (and other debtors) and the need for any allowance for doubtful debts. Any future changes in the circumstances surrounding individual debtors may cause the carrying amount and any related allowance for doubtful debts to require adjustment.

Accruals

Assumptions have been made with regard to the calculation of accruals. Any future changes in the circumstances surrounding the calculation of accruals may cause the carrying amount to be adjusted.

Notes to the financial statements (continued)

2.3 Significant accounting policies

a) Foreign currency translation

The company's financial statements are presented in sterling. The company's functional currency is Japanese yen.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

b) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets on a straight-line basis over their expected useful lives as follows:

Furniture and equipment	– over 2 to 10 years
Computer and machinery	– over 3 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

Tangible fixed assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

Notes to the financial statements (continued)

c) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the statement of profit and loss in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the statement of profit and loss, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

d) Leases

Company as a lessee

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

e) Financial Instruments

i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Currently the Company's financial assets include cash and short-term deposits and trade and other receivables.

Notes to the financial statements (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. The Company has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Financial assets at fair value through profit and loss are carried in the balance sheet at fair value with changes in fair value recognised in finance revenue or finance expense in the statement of profit and loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement. Losses arising from impairment are recognised in the statement of profit and loss in other operating expenses.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Notes to the financial statements (continued)

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Derecognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

f) Trade and other debtors

Trade debtors, which generally have 30 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

g) Cash at bank and in hand

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

Notes to the financial statements (continued)

h) Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

i) Revenue recognition

Revenue from the delivery of professional services on fixed price contracts is recognised by reference to the stage of completion. Stage of completion is measured by reference to cost incurred to date as a percentage of total estimated cost for each contract. Revenue on time and fee based contracts is recognised as work progresses.

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. When the company anticipates losses in the delivery of services, these are recognised in full in the accounting period in which they are foreseen. Revenue is measured at the fair value of the consideration received, net of discounts, rebates, value added tax and other sales taxes.

Revenue recognised in excess of amounts billed is shown as amounts recoverable on contracts and included in debtors; amounts received in excess of revenue recognised are included in creditors as payments on account

Notes to the financial statements (continued)

3. Turnover

	<u>2016</u> £	<u>2015</u> £
Professional services rendered	<u>2,331,610</u>	<u>1,659,475</u>

4. Operating Profit

Operating profit is stated after charging/(crediting):

	<u>2016</u> £	<u>2015</u> £
Depreciation of tangible fixed assets (note 8)	6,089	2,420
Operating lease rentals - land and buildings	<u>40,494</u>	<u>25,509</u>
	<u>46,583</u>	<u>27,929</u>

5. Auditor's Remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements.

	<u>2016</u> £	<u>2015</u> £
Audit of the financial statements of the company	<u>5,200</u>	<u>5,000</u>

There were no non-audit fees payable to the auditors (2015: nil).

The fee for the audit of the company's financial statements was borne by Currie & Brown International Limited.

Notes to the financial statements (continued)

6. Staff costs and directors' remuneration

(a) Staff Costs

	<u>2016</u>	<u>2015</u>
	£	£
Wages and salaries	1,161,673	923,944
Other payroll taxes	89,191	23,234
	<u>1,250,864</u>	<u>947,178</u>

The average monthly number of employees during the year was made up as follows:

	<u>2016</u>	<u>2015</u>
	No.	No.
Fee earning staff	10	10
Administrative staff	2	2
	<u>12</u>	<u>12</u>

The employee numbers disclosed above are for employees that are employed by Currie & Brown International Limited whose costs are borne by the company via recharges and are therefore disclosed here.

(b) Directors' remuneration	<u>2016</u>	<u>2015</u>
	£	£
Directors' remuneration	<u>308,767</u>	<u>168,120</u>
In respect of the highest paid director:		
Aggregate remuneration	<u>198,711</u>	<u>101,953</u>

None of the directors accrued benefits under a company pension scheme (2015: None).

Notes to the financial statements (continued)

7. Taxation

(a) Tax charged in the income statement

	<u>2016</u>	<u>2015</u>
	£	£
Current income tax:		
UK corporation tax	-	-
Adjustment to prior year	2,870	-
Foreign tax	26,546	42,314
Current income tax charge	<u>29,416</u>	<u>42,314</u>
Total current income tax	<u>29,416</u>	<u>42,314</u>
Deferred tax		
Current year	33,508	-
Recognition deferred tax asset not recognised in previous years	<u>(40,593)</u>	<u>-</u>
Total tax expense in the income statement	<u>22,331</u>	<u>42,314</u>
The tax expense in the income statement is disclosed as follows:		
Income tax expense on continuing operations	<u>22,331</u>	<u>42,314</u>

(b) Reconciliation of the total tax charge

The tax expense in the income statement for the year is lower than the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are reconciled below:

	<u>2016</u>	<u>2015</u>
	£	£
Profit from continuing operations before taxation	352,044	112,527
Tax calculated at UK standard rate of corporation tax of 20% (2015: 20.25%)	70,409	22,787
Expenses not deductible for tax purposes	492	6,814
Foreign tax taken as a deduction	(5,937)	(8,568)
Group relief not paid for	(11,861)	(3)
Prior year adjustment	2,870	-
Irrecoverable foreign tax	26,546	42,313
Temporary difference on which no deferred tax asset is recognised	-	(26,204)
Recognition deferred tax asset not recognised in previous years	(47,735)	-
Change in tax laws and rates	<u>(12,453)</u>	<u>5,175</u>
Total tax expense reported in the income statement	<u>22,331</u>	<u>42,314</u>

Notes to the financial statements (continued)

(c) Recognised tax losses

The Company has tax losses in the UK of £51,000 (2015: £224,800) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. A deferred tax asset has been recognised in respect of these losses in 2016 as the company is expected to have taxable profits over the next two years.

d) Other factors that may affect future tax changes

The UK corporation tax rate was reduced from 21% to 20% effective 1 April 2015. With effect from 1 April 2018 the rate of corporation tax will reduce to 19% and will decrease by a further 2% to 17%, effective from 1 April 2020. These changes may affect the tax payable by the company.

e) Deferred tax asset

The movement in deferred income tax assets and liabilities during the year, without taking into account the offsetting of balances within the same tax jurisdiction, is as follows:

	2016 £000's	2015 £000's
Deferred tax asset		
At 1 January	-	-
Debited to income statement - current year	(33,508)	-
Debited to income statement - prior year adjustment		
Recognition of deferred tax asset not recognised in previous years	40,593	-
At 31 December	<u>7,085</u>	<u>0</u>
Deferred tax provided in the financial statements is as follows:		
Capital allowances in advance of depreciation	2,585	-
Other timing differences	4,500	-
	<u>7,085</u>	<u>0</u>

Notes to the financial statements (continued)

Deferred tax assets	Accelerated Depreciation	Corporation tax losses	Other timing differences	Total
	£000's	£000's	£000's	£000's
At 1 January 2015	-	-	-	0
Credited to income statement	-	-	-	0
At 31 December 2015	0	0	0	0
(Debited)/credited to income statement	1,284	(33,323)	(1,469)	(33,508)
Recognition deferred tax asset not recognised in previous years	1,301	33,323	5,969	40,593
At 31 December 2016	2,585	0	4,500	7,085

Deferred tax estimated to be recoverable within one year is £13,000 (31 December 2015: £NIL). There are no unrecognised deferred tax assets. The deferred tax asset in respect of capital allowances in advance of depreciation is expected to be recovered based on the company's current expected pattern of capital expenditure. The deferred tax asset in respect of other timing differences relates to bonus and other provisions which are expected to reverse within one year.

8. Tangible fixed assets

	Furniture & Equipment	Computer & Machinery	Total
	£	£	£
Cost or valuation			
At 1 January 2016	22,012	6,360	28,372
Additions	5,199	7,452	12,651
At 31 December 2016	27,211	13,812	41,023
Depreciation and impairment			
At 1 January 2016	15,342	1,445	16,787
Depreciation charge for the period	4,299	1,790	6,089
At 31 December 2016	19,641	3,235	22,876
Carrying amount			
At 31 December 2015	6,670	4,915	11,585
At 31 December 2016	7,570	10,577	18,147

Notes to the financial statements (continued)

9. Debtors

	<u>2016</u>	<u>2015</u>
	£	£
Trade Debtors	247,855	204,462
Amounts recoverable on long term contracts	235,227	109,387
Amounts owed by Group undertakings	115,567	86,199
Other Debtors	70,369	35,243
Trade and other receivables	<u>669,018</u>	<u>435,292</u>

10. Creditors: amounts falling due within one year

	<u>2016</u>	<u>2015</u>
	£	£
Trade Creditors		
Amounts owed to Group undertakings	419,814	472,098
Other taxes and social security costs	45,768	91,540
Other Creditors	18,543	11,492
Accruals	200,745	194,775
	<u>684,870</u>	<u>769,905</u>

Amounts owed by and to Group undertakings are non-interest bearing and are payable on demand.

Notes to the financial statements (continued)

11. Obligations under leases and hire purchase contracts

Future minimum rental payments under non cancellable operating leases in respect of land and buildings are set out below;

	<u>2016</u> £	<u>2015</u> £
Amounts payable:		
Within one year	57,579	23,941
In two to five years	32,708	19,951
	<u>90,287</u>	<u>43,892</u>

12. Authorised, issued and called up share capital

	<u>2016</u>	<u>2015</u>
	No.	No.
	£	£
Authorised		
Ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

	<u>2016</u>	<u>2015</u>
	No.	No.
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	25,000	25,000
	<u>25,000</u>	<u>25,000</u>

Notes to the financial statements (continued)

13. Ultimate Parent undertaking

The ultimate parent undertaking is Dar Al-Handasah Consultants Shair and Partners Holdings Limited which is incorporated in the Dubai International Finance Centre (DIFC).

The smallest group in which the company is consolidated is headed by Currie & Brown Holdings Limited. The consolidated financial statements are available from 12 Dumaesq Street, St Helier, Jersey, JE2 3RL.

The largest group in which the company is consolidated is Dar Al-Handasah Consultants Shair and Partners Holdings Limited. These consolidated financial statements are not available to the public.

14. Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly-owned subsidiaries of the Dar Al-Handasah Shair and Partners Holdings Limited Group. There are no transactions with other related parties which require disclosure in the financial statements.