

Company Registration No. 2110934 (England and Wales)

INTEGRAL GEOTECHNIQUE (WALES) LIMITED.

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2018

PAGES FOR FILING WITH REGISTRAR

INTEGRAL GEOTECHNIQUE (WALES) LIMITED.

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INTEGRAL GEOTECHNIQUE (WALES) LIMITED.

BALANCE SHEET

AS AT 30 NOVEMBER 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|--|-------|-----------|-----------|-----------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 3 | | 42,976 | | 25,092 |
| Current assets | | | | | |
| Debtors | 4 | 3,057,675 | | 2,872,898 | |
| Cash at bank and in hand | | 70,380 | | 57,551 | |
| | | 3,128,055 | | 2,930,449 | |
| Creditors: amounts falling due within one year | 5 | (328,911) | | (284,444) | |
| Net current assets | | | 2,799,144 | | 2,646,005 |
| Total assets less current liabilities | | | 2,842,120 | | 2,671,097 |
| Creditors: amounts falling due after more than one year | 6 | | (13,478) | | - |
| Provisions for liabilities | 7 | | (7,673) | | (4,319) |
| Net assets | | | 2,820,969 | | 2,666,778 |
| Capital and reserves | | | | | |
| Called up share capital | 8 | | 100 | | 100 |
| Profit and loss reserves | | | 2,820,869 | | 2,666,678 |
| Total equity | | | 2,820,969 | | 2,666,778 |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 November 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

INTEGRAL GEOTECHNIQUE (WALES) LIMITED.

BALANCE SHEET (CONTINUED)

AS AT 30 NOVEMBER 2018

The financial statements were approved by the board of directors and authorised for issue on 21 August 2019 and are signed on its behalf by:

Mr H Pritchard
Director

Mr R Bathurst
Director

Company Registration No. 2110934

INTEGRAL GEOTECHNIQUE (WALES) LIMITED.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

Company information

Integral Geotechnique (Wales) Limited. is a private company limited by shares incorporated in England and Wales. The registered office is Integral House, 7 Beddau Way, Castlegate Business Park, Caerphilly, CF83 2AX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------|---|
| Plant and machinery | 15% per annum of the written down value |
| Fixtures, fittings & equipment | 20% per annum of the written down value. 25% Straight line for Office Equipment additions after 2007. |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

INTEGRAL GEOTECHNIQUE (WALES) LIMITED.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

(Continued)

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.5 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

INTEGRAL GEOTECHNIQUE (WALES) LIMITED.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

INTEGRAL GEOTECHNIQUE (WALES) LIMITED.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

(Continued)

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 15 (2017 - 14).

INTEGRAL GEOTECHNIQUE (WALES) LIMITED.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

3 Tangible fixed assets

| | Plant and machinery | Fixtures, fittings & equipment | Total |
|------------------------------------|---------------------|--------------------------------|----------|
| | £ | £ | £ |
| Cost | | | |
| At 1 December 2017 | 31,359 | 112,418 | 143,777 |
| Additions | - | 26,813 | 26,813 |
| Disposals | - | (59,688) | (59,688) |
| At 30 November 2018 | 31,359 | 79,543 | 110,902 |
| Depreciation and impairment | | | |
| At 1 December 2017 | 16,683 | 102,002 | 118,685 |
| Depreciation charged in the year | 2,201 | 6,728 | 8,929 |
| Eliminated in respect of disposals | - | (59,688) | (59,688) |
| At 30 November 2018 | 18,884 | 49,042 | 67,926 |
| Carrying amount | | | |
| At 30 November 2018 | 12,475 | 30,501 | 42,976 |
| At 30 November 2017 | 14,676 | 10,416 | 25,092 |

4 Debtors

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 439,931 | 563,828 |
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 2,146,451 | 1,792,420 |
| Other debtors | 471,293 | 516,650 |
| | 3,057,675 | 2,872,898 |

Debtors includes £2,146,451 (2017 -£1,792,420) due after more than one year.

5 Creditors: amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------|-----------|-----------|
| Trade creditors | 166,782 | 163,853 |
| Taxation and social security | 133,483 | 94,158 |
| Other creditors | 28,646 | 26,433 |
| | 328,911 | 284,444 |

INTEGRAL GEOTECHNIQUE (WALES) LIMITED.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

6 Creditors: amounts falling due after more than one year

| | 2018 | 2017 |
|-----------------|---------------|----------|
| | £ | £ |
| Other creditors | 13,478 | - |
| | <u>13,478</u> | <u>-</u> |

The long-term loans represent finance leases, which are secured by fixed charges over the assets acquired.

7 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

| | Liabilities 2018 | Liabilities 2017 |
|--------------------------------|---------------------|---------------------|
| | £ | £ |
| Balances: | | |
| Accelerated capital allowances | 7,673 | 4,319 |
| | <u>7,673</u> | <u>4,319</u> |
| Movements in the year: | | 2018 |
| | | £ |
| Liability at 1 December 2017 | | 4,319 |
| Charge to profit or loss | | 3,354 |
| | | <u>7,673</u> |
| Liability at 30 November 2018 | | <u>7,673</u> |

The deferred tax liability set out above is expected to reverse within 36 months and relates to accelerated capital allowances that are expected to mature within the same period.

8 Called up share capital

| | 2018 | 2017 |
|--------------------------------|------------|------------|
| | £ | £ |
| Ordinary share capital | | |
| Issued and fully paid | | |
| 100 Ordinary shares of £1 each | 100 | 100 |
| | <u>100</u> | <u>100</u> |

INTEGRAL GEOTECHNIQUE (WALES) LIMITED.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

| 2018 | 2017 |
|---------------|---------------|
| £ | £ |
| 16,305 | 14,677 |
| <u>16,305</u> | <u>14,677</u> |

10 Related party transactions

At the balance sheet date the company was owed £1,377,225 (2017 - £1,377,225) by its immediate parent company, Integral Geotechnique (Holdings) Limited, and £769,226 (2017 - £415,195) by its ultimate parent company Integral Geotechnique (Commercial) Limited

During the year the company paid dividends of £181,667 to the ultimate parent company.

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